STRATEGIC MANAGEMENT PRACTICES ADOPTED BY KENYA COMMERCIAL BANK LIMITED

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DECLARATION

This management research project is my original work and has not been presented for a degree course in this, or any other University.

Signature……………………………………. Date……………………………..

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(D61/68251/2011)

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

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DEDICATION

This project is dedicated to my parents Dr. Walter H. Onyango and Mrs. Joyce Z. Onyango to whom I owe so much. I highly cherish your love, encouragement, support, and guidance throughout all these years. Above all, thank you for believing in me and more so, training me to believe in myself.

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ABSTRACT

Between the years 2010 to 2012, that is 2 years KCB rose to becoming the best performing bank in the banking industry in Kenya surpassing other banks in the industry that had consistent performance over those years. It was expected therefore that KCB employed certain strategic management practices to enable them sustain their business operations. As the largest bank in the banking industry in Kenya in terms of assets base, the study sought to determine the strategic management practices adopted by KCB and also establish the challenges of strategic management faced by the bank. To achieve this objective, the study intended to use interview guides. The target interviewees were senior management at KCB who were directly involved in strategy. In relation to the strategic management practices adopted by KCB, the study revealed that the senior management in KCB has varied strategic management practices adopted in their organization and they dedicate a lot of time, man power, technology and resources during the entire strategic management process. The study also revealed that the senior management implements the strategic management practices while following the six steps of the strategic management process which are formulation of the company's mission and vision, situation analysis, determination of the strategic objectives, strategic analysis and choice, implementation of the strategy and finally strategic evaluation and control. In relation to the strategic management challenges faced by KCB, the study revealed that they included challenges in organizational structure and challenges when monitoring the implementation of strategic management practices. They also included challenges during implementation of the strategic management practices, financial constraints, negative effects on operational responsibilities and other resource based constraints other than financial constraints. Motivational challenges especially when projects are not successful were also faced by the bank. Political challenges, economic challenges and technological challenges were faced by the bank as well. However, the study revealed that the senior management constantly comes up with ways and measures to mitigate these challenges.

ABBREVIATIONS AND ACRONYMS

ALCO	Asset and Liability Management Committee
ATM	Automatic Teller Machine
BSC	Balanced Score Card
CBK	Central Bank of Kenya
CEO	Chief Executive Officer
CFO	Chief Finance Officer
EXCO	Executive Committee
GDP	Gross Domestic Product
KCB	Kenya Commercial Bank
POS	Point of Sale
RAG STARTER	Red, Amber and Green Starter
SMART	Specific, Measurable, Appropriate, Realistic and Timely
SWOT ANALYSIS	Strength, Weakness, Opportunity and Threats

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategy is defined as the determination of the basic long-term goals of an enterprise, and the implementation of different courses of action and the allocation of resources necessary for carrying out these goals. Strategic management entails the formulation and implementation of the key goals, objectives and initiatives taken by the company's top management on behalf of the owners. The top management has to put into consideration the available resources, and in addition, carry out an assessment of the internal and external environments in which the organization competes. Strategies are important to companies because they guide top management to set direction, focus effort, define or clarify the organization, and provide consistency or guidance in response to the environment.

This study will be based on two theories, which are The Dynamic Capabilities Theory and The Resource Based Theory. In The Dynamic Capabilities Theory, a capability is a set of learned processes and activities that enable a company to produce a particular outcome. Ordinary capabilities are like best practices. They typically start in one or two companies and spread to the entire industry. Dynamic capabilities, unlike ordinary capabilities, are distinctive, that is, unique to each company and rooted in the company's history. They are captured not just in routines, but in business models that go back decades and that are difficult to imitate. The Resources Based Theory is based on the idea that the effective and efficient application of all useful resources that the company can gather helps determine its competitive advantage. These theories are relevant to this study because they describe the process through which the pursuit of a strategy not only utilizes a firm's resources, but also augments them through the creation of skills and knowledge that are the products of experience. KCB has over the year's attained competitive advantage from its consistent high performance routines operating inside the firm, embedded in the firm's processes, and conditioned by its history.

The Banking Industry in Kenya has contributed greatly to the rapid growth of the Kenyan economy. It comprises of around forty two banks actively operating in the country. Among all these, KCB is ranked as the number one local bank with operations in all the administrative centers. This has not always been the case, as between the years 1963 to 2010, KCB performed poorly in many areas. This prompted the directors to make strategic changes that saw the bank improve and be recognized as one of the best banks in the country today.

1.1.1 Strategic Management

Strategy is the link between the organization and the external environment. Strategy is mirrored in the pattern of moves and approaches devised by management to produce the desired performance. The crafting of a strategy represents a managerial commitment to pursue a particular set of actions in growing the business, attracting and pleasing customers, competing successfully, conducting operations and improving the company's financial and market performance. Thus a company's strategy is all about how management intends to grow the business, how it will build loyal clientele, how the company will outcompete rivals, how each functional piece of the business which include research and development, supply chain activities, production, sales and marketing, distribution, finance and human resources will be operated and how performance will be boosted.

The objective of strategic management is to achieve better alignment of corporate policies and strategic priorities. Strategic management consists of the analysis, decisions, and actions an organization undertakes in order to gain and sustain competitive advantages. According to Gregory Lumpkin and Marilyn Taylor, the strategic management of an organization entails three ongoing processes. First is the analysis of strategic goals (vision, mission, and strategic objectives) along with the analysis of the internal and external environment of the organization.

Second, leaders must make strategic decisions which will address the questions on what industries the firm should compete in and how the firm should compete in those industries. Third are the actions that must be taken. Since decisions are of little use unless they are acted on, firms must take the necessary actions to implement their strategies. This requires leaders to allocate the necessary resources and to design the organization to bring the intended strategies to reality. Strategic management in addition is the study of why some firms outperform others. Therefore, managers need to determine how a firm is to compete so that it can obtain advantages that are sustainable over a lengthy period of time.

Strategic Management practices are the different approaches that a company undertakes to achieve its objectives. They entail formulation of the company’s mission while including broad statements about its purpose, philosophy and goals. The company must ensure that it focuses on its areas of strength so that is does not disappoint its customers.

The company also develops a company profile that reflects its internal conditions and capabilities. Companies also assess their external environment, including both the competitive and general contextual factors. They do this by coming up with strategies to beat competition. Example is the Coca-Cola industry which ventured into the production of juice drinks because of the success of the Delmonte juice products in Kenya. In addition, companies also analyze their options by matching their resources with the external environment.

In order for their staff to be competent to execute their duties, the organizations train them in various areas; encourage job rotation so that their staff is all rounded. The company then identifies the most desirable options by evaluating each option in light of the company's mission, example, KCB came up with a product that targeted the youth in Kenya after carrying out a research that saw that the youth are the majority in Kenya. This resulted in an increase in their account numbers. Once that is done, the company selects a set of long term objectives and grand strategies that will achieve the most desirable options. The companies do this through setting targets for the entire organization and dividing these targets equally among the members of staff on a daily, weekly, monthly and annual basis. Lastly, the company implements the strategic choices by means of budget resource allocations in which the matching of tasks, people, structures, technologies and reward systems is emphasized.

The challenge, therefore, is to create competitive advantage that is sustainable. Michael Porter argues that sustainable competitive advantage cannot be achieved through operational effectiveness alone. Strategy is all about being different from everyone else. Sustainable competitive advantage is possible only through performing different activities from rivals or performing similar activities in different ways. A firm with a good strategy must make clear choices about what it wants to accomplish so as to attain long term competitive advantage.

1.1.2 Banking Industry in Kenya

The first bank in Kenya, the National Bank of India, which subsequently became the National and Grindlays Bank was established in 1896 following the British occupation of the country and the construction of the Kenya-Uganda railway. It was followed by the Standard Bank of South Africa in 1910 and the National Bank of South Africa in 1916. In 1926, the National Bank of South Africa merged with the Anglo-Egyptian Bank to form Barclays Bank (Dominion, Colonial and Overseas) the predecessor to one of the largest banks in Kenya.

For the next 50 years, there were no significant changes in the banking sector until several continental and foreign banks started entering the Kenyan banking sector. Soon after independence in 1963, two Kenyan banks were set up: the Co-operative Bank of Kenya (1965) to look after the interests of the co-operative movement and the National Bank of Kenya (1968) to look after other national interests. In 1971, the National and Grindlays Bank itself was split into two separate banks in which the Kenya Government had substantial ownership; The Kenya Commercial Bank and Grindlays Bank (now the Stanbic Bank after the acquisition of the governments' shares by the South African multinational bank).

Until this time, banking was the preserve of foreigners with the minor exception of the three "government" banks named above. The ordinary Kenyan did not have what might be viewed as a genuinely national banking institution. From around 1977, Kenyan nationals started venturing into banking through non-bank financial institutions, i.e. finance houses and building societies. Initially, there was skepticism about the ability of these institutions to survive in the intensely foreign environment. Entry into this area was made deliberately easy as a matter of policy by government in order to encourage the deepening of the financial system in the country.

Presently, there are a total of forty two banks in Kenya. The Central Bank of Kenya is the statutory authority for regulating the conduct of banks in the country. It does not have power to license banks, this being the responsibility of the Directorate of Fiscal and Monetary Affairs following approval by the Minister for Finance.

1.1.3 Kenya Commercial Bank Limited

The history of Kenya Commercial Bank (KCB) dates back to 1896 when its predecessor, the National Bank of India opened an outlet in Zanzibar. Eight years later in 1904, the bank extended its operations to Nairobi, which had become the headquarters of the expanding railway line to Uganda.

The next major change in the bank's history came in 1958. Grindlays Bank merged with the National Bank of India to form the National and Grindlays Bank. Upon Kenya's independence in 1963, the Government of Kenya acquired 60% shareholding in National & Grindlays Bank in an effort to bring banking closer to the majority of Kenyans. In 1970, the Government of Kenya acquired 100% ownership of the bank's shares to take full control of the largest commercial bank in Kenya. National and Grindlays Bank was renamed Kenya Commercial Bank. The Government has over the years reduced its shareholding in KCB to 23%, as of December 2008. In a rights issue which concluded in August 2010, the shareholding by the Kenyan Government was reduced to 17.74%.

In 1972, Savings & Loan (Kenya) Limited was acquired to specialize in mortgage finance. In 1997, another subsidiary, Kenya Commercial Bank (Tanzania) Limited was incorporated in Dar-es-Salaam, Tanzania, to provide banking services and promote cross-border trading. In May 2006 KCB extended its operations to South Sudan following licensing by the Bank of South Sudan. In November 2007, the first branch of KCB Uganda Limited opened in Kampala, Uganda following licensing by the Bank of Uganda. In 2008, KCB expanded to Rwanda, where the first branch opened in Kigali in December 2008. A subsidiary was also opened in Burundi.

Kenya Commercial Bank (KCB) is a financial services provider which offers financial solutions such as cash deposits, withdrawals, custody services, loans among others. One cannot ignore the fact that KCB is not the only financial institution offering such services in the Banking Industry in Kenya. There are several financial institutions like Barclays Bank, Equity Bank, Standard Chartered, K-Rep Bank, Cooperative Bank among others. However despite the high competition, KCB has been able to sustain its business operations and be ranked as one of the best and largest banks in Kenya. This has been attributed to the various changes that KCB has put in place like reduction of the shareholding of the Government from 60% in the year 1963, 100% in the year 1970 to 17.74% in the year 2010.

During the period of time when the Kenyan Government had a large shareholding in KCB, the overall performance of the bank was poor between the years 1963 to 2010, a period of 47years. However between the years 2010 to 2012, that is 2 years, KCB rose to becoming the best performing bank in the banking industry in Kenya surpassing other banks in the industry that had consistent performance over those years. This study is aimed at understanding what drastic measures KCB took to achieve those milestones. The findings can be useful to assist other banks facing similar challenges to achieve better performances since KCB is a model bank to be emulated.

1.2 Research Problem

Strategic management practices are important for an organization because strategy formulation activities enhance the firm's ability to prevent problems since managers who encourage subordinates attention to planning are aided in their monitoring and forecasting responsibilities by subordinates who are aware of the needs of strategic planning. Also, group based strategic decisions are likely to be drawn from the best available alternatives.

The strategic management process results in better decisions because group interaction generates a greater variety of strategies and because forecasts based on the specialized perspectives of group members improve the screening of options. Thirdly, the involvement of employees in strategy formulation improves their understanding of the productivity – reward relationship in every strategic plan and thus heightens their motivation. Gaps and overlaps in activities among individuals and groups are reduced as participation in strategy formulation clarifies differences in roles. Lastly, resistance to change is reduced. Though the participants in strategy formulation may be no more pleased with their own decisions than they would be with authoritarian decisions, their greater awareness of the parameters that limit the available options makes them more likely to accept those decisions.

Headquartered in Nairobi, KCB Bank Group is one of East Africa's largest banking and financial services companies and a valuable brand in the industry. KCB Bank Group has the largest Asset Base in East Africa and is the largest banking network in Kenya with 232 branches and 700 ATMs in East Africa. The Bank has grown to a regional network that covers Kenya, Uganda, Tanzania, Rwanda, South Sudan and Burundi. KCB has won several awards over the years, and in the year 2013, KCB won numerous awards including The Asian Banker International Excellence Awards 2013 as The Best Retail Bank in Kenya, Best Bank in Microfinance just to mention a few of the achievements that KCB has achieved that make it necessary to look at the strategic management practices they have adopted.

Most studies done in relation to KCB have focused on the effect of the rapidly changing banking industry environment in which KCB operates and what it has done to deal with those challenges. However, none has focused on the specific strategic management practices that KCB has employed and is still employing for its business operations to be sustainable over the years. This study will seek to know the specific strategic management practices KCB employs.

KCB rose to becoming the best performing bank in the banking industry in Kenya surpassing other banks in the industry that had consistent performance over those years. It is expected therefore that KCB has employed certain strategic management practices to enable them sustain their business operations. As the largest bank in the banking industry in Kenya in terms of assets base, what strategic management practices has KCB employed to achieve the great performance within a short period of time?

1.3 Research Objectives

The research objectives the study addresses are:

i) To determine the strategic management practices adopted by Kenya Commercial Bank Limited

ii) To establish the challenges of strategic management faced by Kenya Commercial Bank Limited

1.4 Value of the Study

The value in terms of contributing to knowledge in that field of study will be seen in the sense that strategic management practices are good; however the choice the organization makes of a strategic management practice will determine the success of the company. Not all strategic management practices work for all companies.

Researchers will find this study valuable as it will provide information that will broaden their understanding of this field of study, and in addition through it any gaps will be identified that will create an opportunity for further research.

This study will be relevant and add value in terms of guiding managerial policy for the commercial banking sector since policies in an organization are set to guide the members of staff on the boundaries in which they should operate. Management should therefore ensure that the policies that they set are not too stringent that they limit the staff from exploring their potential for the benefit of the organization, and neither should they be too lenient such that the bank experience loses.

This study will add value in terms of guiding managerial practice for the commercial banking sector in general because this study will reveal that that the strategies that a company adopts will determine the success of that company, hence the top management will align their resources and efforts towards achieving their overall objective in the long term.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter deals with the theoretical foundation of the study which is The Dynamic Capabilities Theory and The Resource Based Theory; this is followed by the Strategic Management process, highlighting the stages of strategic management. This chapter will also deal with the strategic management practices and finally, discuss the challenges of strategic management.

2.2 Theoretical Foundation

The Resources Based Theory is based on the idea that the effective and efficient application of all useful resources that the company can gather helps determine its competitive advantage (Anne Marie Dixon, 2011). The Resource Based Theory highlights the need for a fit between the external market context in which a company operates and its internal capabilities. The Resource Based Theory is the classical view on strategy that explains how competitive advantage within firms is achieved and how that advantage of firms can be sustained over the time (Barney, 1991).

Resource based theory sees the firm as a collection of assets, or capabilities. In the modern economy, most of these assets and capabilities are intangible. The success of corporations is based on those of their capabilities that are distinctive. Companies with distinctive capabilities have attributes which others cannot replicate, even after they realize the benefit they offer to the company which originally possesses them (John Kay, 2007)

In The Dynamic Capabilities Theory, a capability is a set of learned processes and activities that enable a company to produce a particular outcome. Ordinary capabilities are like best practices. They typically start in one or two companies and spread to the entire industry (David Teece, 2013**)**. Dynamic capabilities, unlike ordinary capabilities, are distinctive, that is, unique to each company and rooted in the company's history. They are captured not just in routines, but in business models that go back decades and that are difficult to imitate (Lynda Gratton, 2013).

According to Wade and Hulland (2004), resources may take on many of the attributes of dynamic capabilities, and thus may be particularly useful to firms operating in rapidly changing environments. Thus, even if resources do not directly lead the firm to a position of superior sustained competitive advantage, they may nonetheless be critical to the firm's longer-term competitiveness in unstable environments if they help it to develop, add, integrate, and release other key resources over time. These theories are relevant to this study because they describe the process through which the pursuit of a strategy not only utilizes a firm's resources, but also augments them through the creation of skills and knowledge that are the products of experience.

2.3 Strategic Management Process

The first step in the Strategic management process is the Formulation of the Company's Mission and Vision. A mission statement is a formal written document designed to capture and convey a firm's unique and enduring purpose. It should answer some fairly basic yet critical questions, such as what is our purpose? And, why does our organization exist? (Bart, 1997). The mission statement spells out the underlying motivation for being in the business in the first place – the contribution to society that the firm aspires to make

(Collis and Rukstad, 2008). The mission of a company is the unique purpose that sets it apart from other companies of its type and identifies the scope of its operations. The company's mission describes the company's product, market and technological areas of emphasis in a way that reflects the values and priorities of the strategic decision makers. (Pearce and Robinson, 2007)

The second step in the Strategic management process is the Situation Analysis. Here, a company carries out situational analysis by focusing on the internal environment of the firm as well as the external environment surrounding the firm. Management does this by carrying out a SWOT analysis which is a structured planning method used to evaluate the Strengths, Weaknesses, Opportunities and Threats involved in a project or in a business venture (Humphrey Albert, 2005). A SWOT analysis involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve that objective (Hill T and Westbrook, 1997).

The third step in the Strategic management process is determining the Strategic Objectives. Strategic objectives are used to operationalize the mission statement. That is, they help to provide guidance on how the organization can fulfill or move toward the "high goals" in the goal hierarchy-the mission and vision. As a result, they tend to be more specific and cover a more well-defined time frame. Setting objectives demands a yardstick to measure the fulfillment of the objectives. If an objective lacks specificity or measurability, it is not very useful, simply because there is no way of determining whether it is helping the organization to move toward the organization's mission and vision (Dess, Gregory G. G.T. Lumpkin and Marilyn L. Taylor 2005).

Most of strategic objectives are directed toward generating greater profits and returns for the owners of the business, others are directed at customers or society at large. Strategic objectives must be SMART (Meyer, Paul J, 2003); meaning they must be Specific through providing a clear message as to what needs to be accomplished, Measurable by having at least one indicator (or yardstick) that measures progress against fulfilling the objective, Appropriate through being consistent with the vision and mission of the organization, Realistic by having achievable targets given the organization's capabilities and opportunities in the environment and lastly they should be Timely through having a time frame for accomplishing the objective. (Yemm Graham, 2013)

The fourth step in the Strategic management process is the Strategic Analysis and Choice. The management of a firm analyses the company's options by matching their resources with the external environment. Simultaneous assessment of the external environment and the company profile enables a firm to identify a range of possibly attractive interactive opportunities. These opportunities are possible avenues for investment. However, they must be screened through the criterion of the company mission to generate a set of possible and desired opportunities. The screening process results in the selection of options from which a strategic choice is made (Pearce and Robinson, 2007).

The fifth step in the Strategic management process is the Implementation of the Strategy. Implementation is the process that turns strategies and plans into actions in order to accomplish strategic objectives and goals. Implementing the company's strategic plan is as important, or even more important, than the company's strategy (Shannon Sage 2010). Strategic implementation is critical to a company's success, addressing the who, where, when, and how of reaching the desired goals and objectives. It focuses on the entire organization. Implementation occurs after environmental scans, SWOT analyses, and identifying strategic issues and goals. Implementation involves assigning individuals to tasks and timelines that will help an organization reach its goals (Kristie Lorette, 2013).

Implementation of strategy is achieved through two different stages, the first being Institutionalization of Strategy. This is the process which translates an organization's code of conduct, mission, policies, vision, and strategic plans into action guidelines applicable to the daily activities of its officers and other employees. It aims at integrating fundamental values and objectives into the organization's culture and structure (Business Dictionary 2014). Institutionalization of Strategy entails selection of long term objectives and grand strategies that will achieve the most desirable options. The results that an organization seeks over a multi-year period are its long term objectives. Such objectives typically involve some or all of the following areas; profitability, return on investment, competitive position, technological leadership, productivity, employee relations, public responsibility, and employee development (Pearce and Robinson, 2007).

The second stage in the implementation of strategy stage is Operationalization of Strategy. This entails defining the initiatives to implement the plan in accordance with a work breakdown structure while addressing all of the programs associated with plan goals and the major initiatives underneath those programs which include budgets, resources, timelines, deliverables, accountability and structures (Joe Evans, 2012). Operationalization of strategy entails the development of annual objectives short term strategies that are compatible with the selected set of long term objectives and grand strategies. Short term objectives are the desired results that a company seeks over a period of one year or less. They are logically consistent with the firms' long term objectives. Companies typically have many short term objectives to provide guidance for their functional and operational activities. Thus there are short term marketing activities, raw material usage, employee turnover and sales objectives (Pearce and Robinson, 2007).

The sixth step in the Strategic management process is the Strategic Evaluation and Control. Strategy Evaluation is as significant as strategy formulation because it throws light on the efficiency and effectiveness of the comprehensive plans in achieving the desired results. The managers can also assess the appropriateness of the current strategy in today's dynamic world with socio-economic, political and technological innovations. Strategic Evaluation is the final phase of strategic management (Management Study guide 2014). Evaluation and control keep the strategy on target and show when adjustments are needed. Managers need to continually monitor performance and, when necessary, revise their strategies due to changing conditions. Strategic marketing planning requires information from ongoing monitoring and evaluation of performance (Cravens and Piercy 2013).

2.4 Strategic Management Practices

Strategic management practice is the process where managers establish the firm's long - term direction, set specific performance objectives; develop strategies to achieve these objectives in the light of all the relevant internal and external circumstances, and undertake to execute the chosen action plans (Strickland, 1996). The Strategic management process entails following six steps, which include formulation of the company's mission and vision, situation analysis, determination of the strategic objectives, strategic analysis and choice, implementation of the strategy and finally strategic evaluation and control (Pearce and Robinson, 2007).

A good mission and vision statement describes an organization's purpose, customers, products or services, markets, philosophy and sense of technology. A mission statement should define what the organization is and what the organization aspires to be, it should be limited enough to exclude some venture and broad enough to allow for creative growth. The mission statement should also distinguish a given organization from all others, serve as a framework for evaluating both current and perspective activities and be stated in terms sufficiently clear to be widely understood without the organization (Rao Subbha, 2005).

The Barclays mission is “to be an innovative, customer-focused group that delivers super products and services, ensures excellent careers for their people and contributes positively to the communities in which they live and work.” In order to attain this mission Barclays concentrates on following aspects: Deliver a superior customer experience and offer high value products and services that consistently exceed their customer expectations, attract, develop and retain talented, performance-oriented people by providing employment opportunities that are among the best in financial services industry and finally Play a full and active role in the communities in which Barclays operate to ensure mutual benefit from their success. (UK Essays 2013)

A company carries out situational analysis by focusing on the internal environment of the firm as well as the external environment surrounding the firm. Management does this by carrying out a SWOT analysis which is a structured planning method used to evaluate the Strengths, Weaknesses, Opportunities and Threats involved in a project or in a business venture (Humphrey Albert, 2005). According to the Collaborative research carried out by Wikiwealth (2013) on the SWOT analysis of Equity Bank showed that the strengths of

Equity Bank are strong management, they have pricing power with the ability to price their services at competitive rates, they have an innovative culture, a good supply chain, cost advantages, economies of scale and finally unique products in the banking industry. The opportunities include acquisition synergy, innovation, loosening regulations, new markets and products and also international expansion. The weaknesses sighted were high staff turnover and finally the threats were volatile currencies, mature markets, political risks and substitute products.

Determination of the strategic objectives is determined by the SWOT analysis. Equity Bank has come up with several ways to sustain its business operations in the volatile business environment and this was shown by Abishua (2010) in his study which found that Equity Bank uses product offering diversification, branch and regional expansion, relationship marketing, financing, customer-care, innovation, and information technology strategies.

The study found Equity Bank to be a very adaptive bank with a versatile reactionary mechanism to exploit any emerging gaps in the banking industry. The bank has been able to create new markets in uncontested areas like hair salons, millet growing (for brewing) and dairy industry, so its competition strategies are heavily bent on using "blue ocean strategies". The study therefore concluded that Equity Bank has managed to build competitive advantages that can be exploited to sustain and further its growth.

Strategic analysis and choice in the banking industry is demonstrated by Ndungu et al (2014) in their study of the Response Strategies by Commercial Banks to Economic Changes in Kenya. For firms to be able therefore to stay ahead of competition, it was noted that it was imperative for the organizations to continually scan the environment so that the organizations adjust their strategic responses to accommodate the demands of the environment.

The appropriate response strategies would guarantee a competitive edge that ensures the organizations remain relevant. The study examined the strategies used by commercial banks in Kenya to respond to changes in the economic environment. The study established that the commercial banks have been able to respond to the changes in their environment through retrenchment strategies which involved cutting operating costs and divestment of non-core assets. They have also responded to the environment using various investment strategies which contrast with retrenchment and as such firms perceive these changes as opportunities to invest, innovate and expand into new markets in order to achieve or extend a competitive advantage.

Implementation of the strategy in the banking sector is shown in a study carried out at the University of Nairobi (Mungai 2012) titled Integrating Strategy Formulation and Implementation, A Case of the Commercial Banking Industry in Kenya where the study sought to analyze the integration of strategy formulation and implementation in Kenya with an emphasis on the commercial banking industry. The study was a Census survey and the population included all operating commercial banks licensed by the central bank of Kenya.

However it was found out that, the directors and the chief executive officers were the most heavily involved with the employees being least involved. It was further observed that all companies considered implementation issues during formulation. However emphasis was laid on resources, staffing and staff skills while organizational culture, values and structure were least considered. In training middle managers emphasis was laid on strategy implementation as that is seen as their core function in the organization. Emergent strategies were also highly considered in strategic training.

It was also established that ambidextrous strategies have been used where organizations combine incremental change with discontinuous change, or the exploitation of existing resources to improve efficiency. This occurs through exploration of new sources of competitive advantage and innovation. It is recommended that in order to stay ahead of competition, commercial banks should continuously scan the environment aggressively and speed up implementation of various strategies (Ndungu et al, 2014)

2.5 Challenges of Strategic Management

Strategic management is relatively recognized that the strategic management process is costly in terms of time invested by the chief executive of the organization since he is expected to fully understand the mission, vision and goals of the company and come up with ways to achieve the company objectives in an efficient and cost effective manner. The chief executive has to liaise with managers of all levels in the organization to come up with day to day activities that the staff can do and in so doing, ensuring that the activities are all geared towards achieving the overall organizations' objective (Hiriyappa, 2011).

At a public sector organizational level, it might be expected that the political nature of governments would make it more difficult for rational models of strategic management to be implemented, given the almost inevitable interpenetration of politics into that arena

(Lynn (1987, 1996). She also argues that some strategic management actions will be individually directed and political as well as related to personal as well as organizational advancement.

The time that managers spend on the strategic management process may have a negative impact on operational responsibilities. Managers must be trained to minimize the impact by scheduling their duties to allow the necessary time for strategic activities. This may arise from the fact that the results of the strategy are not seen immediately, and hence there is a lot of uncertainty of the success of the strategy. This result in managers constantly trying to come up with better strategies instead of implementing the strategies already agreed upon by the organization (Hiriyappa, 2011).

If the formulators of strategy are not intimately involved in implementation, individual responsibility for input to the decision process and subsequent conclusions can be avoided. Thus strategic managers must be trained to limit their promises to performance that the decision makers and their subordinates can deliver. This will motivate staff into being fully involved by giving their ideas and feedback and as a result they will have a sense of ownership since they will be participating fully in the whole process (Hiriyappa, 2011).

Strategies must be trained to anticipate, minimize or constructively respond when participating subordinates become disappointed over unattained expectations. Subordinates may expect their involvement in even minor phases of total strategy formulation to result in both acceptance of their proposals and an increase in their rewards, or they may expect a solicitation of their input on selected issues to extend to other areas of decision making (Hiriyappa, 2011).

Growth is one of the overarching challenges organizations face in strategic management. Organizations would like to know how they can increase their impact, in saturated or declining markets. For an enterprise to prosper, growth must be the goal. Whether the metric is revenue, profit, market share or lives saved, any goal other than growth will eventually lead to decline. Addressing the challenge of value provides an organizations' foundation for growth. This involves enhancing the relationships of its enterprise's processes to benefits and costs. This requires a solid understanding of the nature of the processes, the stakeholders in these processes, and how these processes provide benefits and incurs costs (Hiriyappa, 2011).

Success in pursuing the challenges of growth and value requires addressing the challenge of focus, which provides the organizations path from value to growth. Focus involves pursuing opportunities and avoiding diversions. It involves reducing or eliminating investments in their old value proposition to invest in the new. The challenge of change requires that the organization designs the new enterprise for pursuing the path from value to growth. This design or redesign should balance competing creatively while maintaining continuity with those aspects of the enterprise the organization wants to preserve. If the organization will have to change everything, then liquidation may be better than transformation (Hiriyappa, 2011).

Change almost always involves investing in inherently unpredictable outcomes in the future. Articulating the organizations view of possible outcomes and the uncertainties associated with them is key to both their commitment and that of the team. Keep in mind that many of these uncertainties and associated risks cannot be eliminated. The goal, therefore, is to be better at risk management than the competitors. By addressing the challenge of knowledge, the organization can gain the means of transforming information to insights to programs of action. This involves understanding the nature and role of knowledge in the enterprise. Much of this knowledge will not be archival. Instead, it will be in the heads of the people in the enterprise (Hiriyappa, 2011).

Sensitizing managers to these possible negative consequences and preparing them with effective means of minimizing such consequences will greatly enhance the potential of strategic planning (Hiriyappa, 2011).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methods that were used in the collection of data pertinent in answering the research questions. It is divided into research design, data collection, and data analysis methods.

3.2 Research Design

The study used the descriptive case study method. This design was preferred to other research designs since it helped to specify the boundaries of the case, and it contributed significantly to the rigor of the finished case study. A descriptive case study has the potential for mining for abstract interpretations of data and theory development. The main goal of the descriptive case study was to assess a sample in detail and in depth, based on an articulation of a descriptive theory.

This method was used because the researcher carried out interviews with senior management at Kenya Commercial Bank Limited in an effort to know the strategic management practices adopted by Kenya Commercial Bank as well as the challenges of strategic management faced by Kenya Commercial Bank.

3.3 Data Collection

Primary data was collected using an interview guide. The interviewees were senior managers concerned with strategy, including The Head of Strategy & New Business, Finance Director and Retail Director in Kenya Commercial Bank Ltd.

The interview guides were administered on a one on one basis. This method was seen as appropriate since it consumed less time and was cost effective on the part of the researcher. The interview guides were checked for reliability using split half method.

3.4 Data Analysis

The completed interview guides were edited for completeness and consistency before processing the responses. In order to fulfill the objectives, a descriptive analysis was carried out. Qualitative Content Analysis was carried out by first stating the research question because knowing what the researcher was trying to find out helped the researcher to stay focused in the research and analysis. The next step was to select the sample of text material through reading and reducing them to a more manageable set of data through a process of reading and categorizing.

The next step was to examine the data by reading and reviewing the material in the sample. Once that was done, the researcher defined the unit of analysis and categories. The researcher then coded the textual material in the sample and kept a tally sheet as the material was coded. Lastly, the researcher read everything more than once to identify all keywords and phrases and in so doing, the researcher was be able to have counts of the frequencies with which certain words and phrases are used in relation to particular candidates.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter details the findings of the study with respect to the objectives of the study and has three major sections. It will first present findings on Strategic Management Practices in KCB; secondly, present findings on the strategic management challenges faced by KCB and lastly present the discussions.

4.2 Strategic Management Practices Adopted by the Bank

The first objective of the study was to determine the strategic management practices adopted by KCB. Primary data was collected through interview guides administered on a one on one basis. The research targeted four interviewees drawn from senior management staff of the bank. Qualitative Content Analysis was carried out to analyze the data.

The interviewees were asked whether KCB periodically gathers and analyzes data about the market and other external or internal factors which affect its operation and business. The interviewees from the study all stated that KCB gathers and analyzes data about the market and other external or internal factors which affect its operation and business. One of the interviewees stated that it is done on an annual basis just before the main strategy session. She further explained that it was due to the rapid changes in consumer behavior.

Another interviewee added that analysis of data about the market and other external or internal factors were also carried out on a quarterly basis. This is because during that time, banks are reporting their performance which enables KCB compare its performance with other competing banks. In addition, KCB is able to find out what is happening in the market. Another interviewee stated that competitor analysis is carried out to find out what competitors are doing in terms of technology, funding, new products, pricing, customer acquisition and marketing activities. He further explained that when the senior management at the bank is doing strategic planning, it was important to note that it constitutes inputs which require the management to expand in terms of macro environment, customer satisfaction surveys and look at competition along the same lines.

The interviewees were then asked whether the external or internal market analysis identifies key strengths, weaknesses, opportunities and threats to the business. They generally agreed that the external and internal market analysis identifies key strengths, weaknesses, opportunities and threats to the business. When further asked why they agreed that the external and internal market analysis identifies key strengths, weaknesses, opportunities and threats to the business, one interviewee explained that it informs the SWOT Analysis by asking consumers questions like what they like or do not like about services being offered by KCB.

SWOT Analysis helps top management in KCB know how they are performing. The SWOT Analysis is carried out so that management can determine how they can maximize on their strengths, improve on their weaknesses, exploit the opportunities and mitigate threats to the business. Another interviewee gave an example that KCB has a large branch network. The top management would like to ensure they make good use of the large branch network. They have recently combined efforts with a strong brand in the telecommunication industry, Safaricom to come up with a product referred to as Biashara Smart aimed at offering better and faster services to customers in business.

The interviewees from the study were asked whether the chief executive officer takes formal responsibility for the bank's strategic management planning. They all agreed that the chief executive officer takes formal responsibility for the bank's strategic management planning. The interviewees were asked to explain how the CEO is involved and the responsibility he takes. One interviewee stated that the CEO is the owner of strategy. He further explained that the CEO is the one charged with the responsibility to set the timelines for which the objectives are to be achieved. He gives the details of the strategy, chairs the strategy meeting sessions and is the accounting officer to the board on the implementation of the strategy. Another interviewee stated that the entire strategy process starts with the CEO. He gives his over view and way forward of how he wants the strategy driven as well as his thoughts for the entire year.

The interviewees were then asked whether strategic management practice is a top priority activity in KCB. The interviewees agreed that strategic management practice is a top priority activity in KCB. One interviewee explained that it is the main reason why senior management engages with the Board of Directors all the way to the Executive Committee (EXCO) which comprises of the CEO and all those who report directly to the CEO. When asked whether KCB provides resources earmarked specifically for strategic management planning, the interviewees from the study all stated that KCB provides resources earmarked specifically for strategic management planning.

One interviewee stated that KCB has a strategic division combined with the research department which focuses on strategy and new business. Another interviewee explained that KCB has staff in different units like Director Retail, Director Information Technology and Human Resource Director who determine where they are going as a business and how they intend to get there. The interviewees were asked further to state which resources were provided. One interviewee stated resources which include budgets, people, tools, support like the research department, external speakers and exposure to the world, example, the Director Strategy recently attended a two week workshop in South Africa. Another interviewee added that from the month of July 2014 to October 2014, the senior management are preparing for the strategy session to discuss about the bank's ten year plan.

The interviewees were asked whether KCB hires the services of a consultant in the process of Strategic management development. They all agreed that KCB occasionally hires the services of consultants in the process of Strategic management development. One interviewee noted that in the year 2013 and so far in 2014, consultants have not been hired. Senior management are still awaiting communication on whether consultants will be hired or not.

One interviewee explained that the hiring of consultants is aimed at creating a balance. Another interviewee stated that consultants are hired when the bank wants to define its purpose and ensure that it comes up with a strategy supported by experts. Another interviewee explained that external consultants are invited to enable the senior management to listen to the voice of the market, learn what they think about KCB and know what they are doing right or wrong. He further stated that all workshops attended have had an external person and this opens up the minds of senior management in KCB to possibilities. The consultants also seek internal information and do the presentation to the directors.

The interviewees in the study were asked whether members of staff are briefed and taken through the strategic management plan before implementation. They all reported that KCB senior management briefs members of staff and takes them through the strategic management plan before implementation. One interviewee explained that it is because strategy belongs to the institution to be implemented. It therefore has to be aligned with the staff roles who know customer's needs. He further explained that it starts with the senior team and then it is cascaded downwards through regions and branch managers who cascade to the rest of the staff.

Another interviewee explained that staff are briefed in two levels, the first being the strategy teams who tell the board, CEO and senior management how the consumer market behaves. This is because the past has a direct impact on the future. Secondly, Managers share the strategy document with the staff on the goals and come up with tactical plans on how to achieve the goals. Staff in KCB are briefed to get a buy in, create a sense of ownership and to ensure they feel part of the entire process. This is because they are the ones to implement the strategy.

Strategic planning in KCB constitutes inputs and requires senior management to expand in terms of macro environment, customer satisfaction surveys and look at competition along the same lines. Inputs from consultants, and staff from other departments directly involved in strategy like the Retail Director, Information Technology Director and the Human Resources Director are considered to constitute inputs into the strategic planning process.

All the data is put into the plenary for discussion. It is a three day event after which the senior management has a clear understanding of where they want to go. There are resolutions captured and documented by the secretariat under the strategy department. Subsequently, the strategy team will do a presentation to the executive committee and theirs is to refine and confirm the resolutions. The executive committee comprises of the CEO and all those who directly report to the CEO. It then moves to the next phase which is putting together a paper and board engagement and extracting functional and strategic projects out of those resolutions.

The other role that the finance department plays is to do number crunching which entails budgeting and forecasting. Out of the functional and strategic projects, the finance department extracts action plans to show key deliverables, key milestones and the impact on the business in terms of costs and revenues. This enables them to engage the board with the ready document for approval. Once finance comes up with the number crunching, they engage each branch manager to come up with their own figures and business plans based on the three day discussions. Ultimately, senior management in KCB collects figures from branch managers and subsidiaries to come up with the overall strategy. The collection and coalition is done at the Finance Department in KCB.

The interviewees were asked whether KCB has written mission and vision statements. They were also asked whether the senior management come up with ways to ensure that all staff is aware of the mission and vision statement. The interviewees agreed that KCB has a written mission and vision statement. They also said that management comes up with ways to ensure that all members of staff are aware of the mission and vision statement. One interviewee stated that this is done after confirmation with the Board of

Directors since the Board can decide to change those statements. The interviewee further said that KCB will, for the first time in the year 2014, define its purpose and there is a work strip specifically assigned to define that purpose. This will be done during the engagement with the board.

Another interviewee stated that communication of the mission and vision statements is done during the rolling out of strategy. In addition the interviewee said that new members of staff who have been in the bank for at least six months are taken through an induction process where the vision and mission of the bank is discussed at length. Another interviewee stated that senior management also communicates the mission and vision through the bank's internal communication like emails. In addition, the bank's letter head contains the mission statement which is a constant reminder to staff when communicating internally. During training sessions at the KCB Leadership Center in Karen, discussions on the vision and mission statement are intentionally used as icebreakers.

The interviewees were asked whether KCB has strategic objectives. The interviewees agreed that KCB has strategic objectives. However they stated that they are often referred to as the six themes. The interviewees were further asked to state the six themes. They stated that the six themes included Technology and Innovation, Business efficiency and growth, consolidation of regional businesses, Customer service, Sustainability and lastly New business opportunities.

The interviewees stated that the strategic objectives may vary every year. They explained that long term and short term objectives may work on paper, but some objectives may change mid-way. Example, towards the end of the year 2013, KCB introduced a new product referred to as M-Benki. This is an account customers can open virtually through their mobile phones without filling any form. The members of staff were expected to create awareness of this product to customers and increase the number of accounts opened through that system.

This implies that it is not always clearly stated what the short or long term objectives are, or that they have changed. These themes are the overall strategic objectives which determine and guide the resource allocation. They gave an example where KCB has invested large sums of money in technology which determines how customers will be served. In addition, if one of the objectives was to achieve certain profitability at the end of the year, then it will affect the cumulative bottom line profit. Another interviewee stated that the outcome of the three day event constitutes the key objectives and they will be both quantitative and qualitative.

The interviewees were further asked to distinguish between the quantitative and qualitative objectives. One interviewee explained that quantitative objectives include number of customers who have accounts with KCB, number of branches opened, the financials in terms of costs and revenues, number of ATM machines in the regions, loan growth to enable income generation through interest, deposit growth and profitability. Qualitative objectives on the other hand normally revolve around new markets, technology, rationalization of staff count and new products.

The interviewees were asked whether KCB sets clearly defined and measurable performance targets for each strategic management plan element. The interviewees reported that KCB sets clearly defined and measurable performance targets for each strategic management plan element. The interviewees were further asked to state the performance targets. One interviewee stated that they include customer numbers, profitability, cost to income ratio, staff costs and customer satisfaction. The interviewee further explained that this was the main reason why there are action plans for each one. The interviewee gave an example, for loan growth; there will be a key performance indicator in terms of the number of loans and value of loans as well as who is to deliver those figures and by when. That explains the Individual Balanced Score Card (BSC) which is the performance measurement tool used in KCB to measure performance of staff.

The individual balanced score card is reflective of the action plans agreed upon by the board and represents bits of the overall strategy. Example, if the bank would want to expand its business to other regions, it will require capital to do so. Therefore staff must contribute to the overall pool income by achieving and surpassing their targets in their respective work stations as they execute their day to day responsibilities.

The interviewees were asked whether KCB conducts perception surveys to gauge staff and customer satisfaction. The interviewees agreed that KCB conducts perception surveys to gauge staff and customer satisfaction. The interviewees explained that the surveys are conducted once every two years. The interviewee reported that according to the Human Resource Director, the survey should be carried out on an annual basis. When asked what the results of the last surveys were, the interviewees stated that the results were encouraging with a Customer satisfaction of 82% and an employee satisfaction of 74%.

The interviewees were asked whether KCB reviews strategic management decisions. They agreed that KCB reviews the strategic management decisions. They further explained that the reviews are carried out in KCB at different levels. This depends on the dynamics of the market or changes in policies governing the banks operations. Regarding this, the interviewees stated that this may force the bank to review its strategic management decisions to align itself with the changes.

Monthly reviews are carried out so as to monitor performance as an ongoing process. This is followed by quarterly reviews or at the end of every three months which are carried out both at the business and individual level. Here, meetings are held to provide the status in terms of where each unit is. At the business level, the RAG (Red, Amber and Green) Starter is applied. These are colors used to rate the performance. Red represents poor performance and requiring remedial action. Amber represents moderate performance which can either improve or worsen hence requiring more effort to improve. Lastly, green represents good performance which ought to be maintained. Each business unit is expected to explain why their performance is categorized in a particular color and what they are doing to improve. At the individual level, the balanced score card is used to review performance.

Reviews are also carried out on a five year basis. The interviewee explained that this is due to the rapidly changing consumer behavior, the volatile macro environment and the general international changes. In addition to this, KCB has set up the Asset and Liability Management Committee (ALCO) which reviews the banks' balance sheet on a monthly basis. KCB also has the General Management Committee which reviews the operating performance on a monthly basis in terms of profit and loss and other financial ratios.

The interviewees were asked to add any other strategic management practices KCB has adopted. One interviewee stated that KCB has adopted the inclusion of an emerging and evolutionary process. The interviewee explained that the bank as a whole encounters a process that was not initially in the plan, but since it meets the overall objective and is useful, the process is included. Another interviewee stated that, until the year 2005, strategic planning in KCB was top down where management were charged with the sole responsibility to decide the strategic goals, objectives, number crunching and overall direction to take the bank. This was then communicated to the rest of the business.

However from the year 2005, KCB has adopted a combination or blend of top down and bottom up. This explains why senior management in KCB invites the top one hundred managers to the strategy development workshops who will take these considerations to develop their own business plans at the branch level. However, the overall targets will be decided by the board and the CEO. If the branch managers are considered too conservative on their numbers, then the senior management will request them to amend the same.

4.3 Challenges of Strategic Management Faced by the Bank

The second objective of the study was to establish the challenges of strategic management faced by KCB. The interviewees were asked whether they experience any challenges in relation to the organizational structure when implementing the strategic management practices. The interviewees reported that there are strategic management challenges faced in KCB. In relation to the organization structure, the challenge is seen in the frequent change of top management. This becomes a hindrance in ensuring uninterrupted continuity of the implementation of strategic management practices.

The interviewee gave the example of the Chief Finance Officer (CFO) in KCB recently exited the bank. This has slowed down the process of implementation of strategic management practices since the board has had to undergo a tedious and lengthy process of recruiting another Chief Finance Officer. In addition, because of the high ranking position, it is not easy to get a replacement. The outgoing Chief Finance Officer carried with him a wealth of experience in that role and his understanding of how the internal affairs of KCB are run and carried out.

The incoming Chief Finance Officer may have to take time to stabilize and understand the system before positive results will be seen from him or her. Another interviewee stated that the other challenge experienced in relation to the organizational structure is seen in larger projects which are cross cutting across or cross functional in different departments and units. Because of this, claiming responsibility on a particular unit as well as coordinating such projects is a challenge.

It was noted from the study that the issues revolving around organization structure may not always be viewed as challenges but also as opportunities. One interviewee explained that this is because KCB is coming up with customer focused ways of selling to customers based on their needs. Previously, it was product driven. The reporting lines have therefore been set up in relation to customer needs and not products. Customers in KCB are viewed as relationships. Branches are being equipped with the necessary resources and tools to meet the solutions of the customers as a one stop shop.

Services which were previously accessible to customers at the head office like asset based financing and mortgages are now offered at the branches. This happened because customer needs have evolved. KCB is now focused on relationship management of the customer.

The interviewees were asked whether they experience any challenges when monitoring the implementation of the strategic management practices. The interviewees stated that the challenges in relation to monitoring the implementation of the strategic management come when the bank as a whole does not gain alignment of the staff's job descriptions to the overall mission, vision, goal and objectives the bank intends to achieve in the long run. The implementation of strategic management practices will not be successful when the people who are to implement do not understand the overall goal.

There is also a concern where some units conceal where they are ranking poorly or red in the RAG Starter. It requires the senior management to keenly investigate and reveal those areas that require remedial action. The other challenge faced in monitoring the implementation of the strategic management practices is seen in the fact that for the bank to monitor strategy execution, a central team is required to continually review the senior management in terms of progress of execution, outcomes and challenges. KCB currently does not have a central team put in place for this purpose, but the board is in the process of setting up the project management office to play that role. That is the one that will have the feasibility on all strategic projects of the bank.

The interviewees were asked whether they experience any financial constraints when implementing the strategic management practices. One interviewee agreed that there are challenges that KCB faces in relation to financial constraints when implementing the strategic management practices. KCB relies on funding from its customers and shareholders. This implies that there are limited resources and therefore the senior management requires a long lead time to tap additional resources for strategy implementation especially from the stakeholders which takes about one year. However from customers, the key challenge is cost. The other interviewee stated that once the resources are attained, the department which has planned well over a given period of time makes formal requests for allocation of resources to the board as per their goals. The project management office ensures sufficient resources are allocated for the entire process.

The interviewees were asked whether they experience any challenges when implementing strategic management practices on operational responsibilities. They responded that the challenges faced when implementing strategic management practices on operational responsibilities are minimal. This is because at the micro level which includes the departmental or branch level, the roles are very clear. In addition, before the strategy is put on the business plan, the owners have agreed that they have the resources to implement the strategic management practices. Another interviewee stated that at the beginning of every year, it is the desire of all members of staff that all the goals are implemented. However, due to limitation of time, members of staff are forced to prioritize and use the 80/20 rule.

The interviewees were asked whether they experience any challenges when involving staff in implementing strategic management practices. They all agreed that there are no major challenges experienced when involving staff in implementing strategic management practices. This is because of the performance management tool used in KCB called the Individual Balanced Score Card (BSC). All the strategies are reflected in the individual score card and it is in agreement with the board that all individual score cards role up to the departmental score card.

The CEO would also have given the direction that the bank is proceeding into the strategy planning sessions and offered the necessary support. Another interviewee explained that it is important to note that as long as the strategic objectives are cascaded clearly, well, effectively and properly aligned to the job descriptions of staff, then there will be minimal challenges in relation to staff involvement. Challenges will be seen if communication is not done well from the onset.

The interviewees were asked whether they experience any resource based constraints other than financial constraints during the implementation of strategic management practices. They said that the other resource based constraints other than financial constraints faced during the implementation of strategic management practices is seen especially when implementing strategic projects. These kinds of resources are not always available in house within KCB.

As a result, senior management has to rely on consultants who are costly. In other instances, the technology required is not available especially locally. The interviewee gave an example where KCB launched the KCB Mtaani Agents using the Point of Sale

(POS) machines which were not ideal. Nonetheless, they were the only technology available at the time. In other occasions, there are too many running projects and few resources to go around at the same time. However, KCB has combined the research and strategy teams to work hand in hand. In addition, whenever the teams are going to subsidiaries, they identify the individuals who will work for them. It is important to note however that the research team often finds itself pushing for strategy instead of research.

Another interviewee stated that if the departmental heads communicate their goals and required resources early with a clearly articulated strategy at the onset for people to clearly see the impact on the future business, then the necessary support will be provided. The interviewee gave an example that in order to drive the alternative channels in the card business, there has been an approval of 183 staff in branches to drive the business.

The interviewees were asked whether they experience any motivational challenges during the implementation of strategic management practices. The interviewees stated that the motivational challenges witnessed during the implementation of strategic management practices are minimal. They explained that this is because KCB has made the process of strategy implementation all inclusive. The top down and bottom up inputs towards the overall objectives are encouraged and collectively they decide on how the figures will be attained through a tactical plan which is motivating to the members of staff. However, motivational challenges may be seen especially where there is failure. It is important to note that not all projects will succeed. Senior management may have a culture of non-tolerance to failure and punish those who fail, whereas ideally, senior management should allow staff to learn from past failures.

When the interviewees were asked whether they experience any challenges of resistance to change during the implementation of strategic management practices, they agreed that there are no challenges. Willingness to change is one of the core values that drive the business in KCB; hence the business as a whole embraces change. Resistance may only be seen if one is identified into a project which is challenging since people fear failure.

The interviewees were asked whether they experience any Political challenges during the implementation of strategic management practices. The interviewees stated that the Political challenges faced during the implementation of strategic management practices are seen from the external perspective especially now that the Kenyan Government has implemented devolution. As a result, some banks are preferred in certain counties and it becomes a challenge for the rest of the banks to penetrate the market. Example in the central region, banks like Equity Bank and Family Bank are preferred in comparison to other banks in the country.

The interviewee further stated that this challenge can be mitigated. This is because in general, there is competition in the banking industry. What can give one bank competitive advantage over the other are the product offering, pricing and consumer service provided and not much of politics. Another interviewee stated that political instability may affect the operations of the bank in relation to market dynamics. The interviewee gave an example of the most recent Mpeketoni attacks which resulted in the temporary closure of KCB Mpeketoni Branch for at least 3 months.

However the interviewees added that political challenges are not faced in terms of influence on decision making or running of the bank's affairs since KCB is a private organization. They added that in as much as the government has about 17% shareholding in KCB, they have given senior management the free hand to run the organization.

The interviewees were asked whether they experience any Economic challenges during the implementation of strategic management practices. They said that Economic challenges during the implementation of strategic management practices are witnessed due to the economic swings. The interviewee gave an example, where failure of rain in the country results in food shortages which shoot up inflation.

The effect inflation has in KCB is the increase in the cost of doing business. Example, the cost of fuel for running generators increases. This will affect the GDP growth in the economy in addition to the macro and fiscal policies which determine the interest rates. These interest rates in turn will determine the demand for credit which is one of the core businesses of KCB. In relation to fiscal policy, the more KCB borrows from the domestic market, the higher the interest rates which affect the deposits in the market. However it is important to note that KCB aligns itself to the consumer needs and the strategy document is consumer driven.

The interviewees were asked whether they experience any social challenges during the implementation of strategic management practices. The interviewees stated that the issues revolving around implementation of strategic management practices which are social in nature may not be viewed as challenges but rather as corporate social responsibilities. KCB is expected to play its role as a good corporate citizen by giving back to the community. The interviewee added that it has been noted that the demand on the bank may at times too high. However, the bank has committed to give 1% of the profit before tax towards the corporate social responsibility activities.

Another interviewee added that the social challenge is seen in that KCB drives the consumer behavior. Example, some consumers are using mobile banking but not all. Therefore KCB is charged with the responsibility to train their customers on the mobile banking platform to encourage them to use the services. Capacity building must be put into consideration so that in the long run the society does not view the bank as destroying their values. Example, culturally, women from the Kikuyu community are empowered to invest and have their own money. However for women from the Kalenjin community, it is their husbands who decide how the funds will be used and allocated even if the women are empowered and educated.

The interviewees were asked whether they experience any technological challenges during the implementation of strategic management practices. They stated that the technological challenges during the implementation of strategic management practices arise due to the fact that technology has a short life span. The technological market is changing fast and the clients today are technologically savvy. KCB therefore has to keep upraising its technology every year so as to keep the customers happy.

Another interviewee added that customers no longer want to come to the banking halls. They would rather make use of the alternative channels provided like the mobile banking services, internet banking platform, KCB Mtaani Agents and the ATM machines. The future business will fully revolve around technology. Technological challenges are also seen in relation to introduction of certain services and products to neighboring countries. Because of the state of their infrastructure, what could easily be implemented in Kenya may for example not easily be implemented in Tanzania as their infrastructure is not as robust. A good example is the M-Benki accounts which can be opened virtually through the mobile phones.

The interviewees were asked whether they experience any legal challenges during the implementation of strategic management practices. They agreed that KCB does not face any legal challenges locally during the implementation of strategic management practices. The interviewees gave the reason that this is because the bank operates within the Kenyan Government law, the banking act and the Central Bank of Kenya (CBK) regulatory standards which are very clear on what the bank can or cannot do. The legal department is responsible for that.

Another interviewee added that KCB operates within a regulated industry. The central bank has issued prudential guidelines that all banks are expected to comply, putting into consideration that the penalties for non-compliance are quite punitive. Another interviewee stated that legal challenges are faced in relation to introducing new products and services in neighboring countries since the board has to wait for the regulatory bodies of those respective countries to advice and give the go ahead which consumes much time. Where there is stakeholder’s involvement in the coming up of strategy, then implementation becomes realizable. Communication and clarity of the strategy must be done.

4.4 Discussions

This study had two objectives which were to determine the strategic management practices adopted and establish the challenges of strategic management faced by the bank. In relation to the strategic management practices adopted by KCB, the study revealed that the senior management in KCB has adopted varied strategic management practices and they dedicate a lot of time, man power, technology and resources during the entire strategic management process. This is consistent with the literature where according to Strickland (1996), strategic management practice is the process where managers establish the firm's long - term direction, set specific performance objectives; develop strategies to achieve these objectives in the light of all the relevant internal and external circumstances, and undertake to execute the chosen action plans.

The senior management implements the strategic management practices while following the six steps of the strategic management process. This is also consistent with the literature according to Pearce and Robinson (2007) which lists the six steps of the strategic management process as formulation of the company's mission and vision, situation analysis, determination of the strategic objectives, strategic analysis and choice, implementation of the strategy and finally strategic evaluation and control.

The senior management in KCB gathers and analyzes data about the market and other external or internal factors which affect its operation and business. This is done on an annual basis just before the main strategy session due to the rapid changes in consumer behavior. This practice is consistent with the literature, where according to Humphrey Albert, 2005; a company carries out situational analysis by focusing on the internal environment of the firm as well as the external environment surrounding the firm.

Management does this by carrying out a SWOT analysis which is a structured planning method used to evaluate the Strengths, Weaknesses, Opportunities and Threats involved in a project or in a business venture.

The senior management in KCB reviews the strategic management decisions. The reviews are carried out at different levels. This depends on the dynamics of the market or changes in policies governing the banks operations. This may force the bank to review its strategic management decisions to align itself with the changes. This is consistent with the literature where strategic analysis and choice in the banking industry is demonstrated by Ndungu et al (2014) in their study of the Response Strategies by Commercial Banks to Economic Changes in Kenya. For firms to be able therefore to stay ahead of competition, it was noted that it was imperative for the organizations to continually scan the environment so that the organizations adjust their strategic responses to accommodate the demands of the environment.

The senior management in KCB ensures that employees at all levels are involved in the strategic management process. It starts with the senior team and then it is cascaded downwards through regions and branch managers who cascade to the rest of the staff. This is consistent with the findings according to a study carried out at the University of Nairobi titled Integrating Strategy Formulation and Implementation, A Case of the Commercial Banking Industry in Kenya (Mungai, 2012).

The study sought to analyze the integration of strategy formulation and implementation in Kenya with an emphasis on the commercial banking industry. The study revealed that the directors and the chief executive officers were the most heavily involved in formulation of the strategy with the employees being involved heavily during implementation of the strategy. It was further observed that all companies considered implementation issues during formulation.

In relation to the challenges of strategic management faced by KCB, the study revealed that the senior management in KCB has annual budgets in which they allocate sufficient resources to enable them achieve their objectives. This is consistent with the literature which states that the strategic management process is costly in terms of time invested by the chief executive of the organization since he is expected to fully understand the mission, vision and goals of the company and come up with ways to achieve the company objectives in an efficient and cost effective manner. The chief executive has to liaise with managers of all levels in the organization to come up with day to day activities that the staff can do and in so doing, ensuring that the activities are all geared towards achieving the overall organizations' objective (Hiriyappa, 2011)

KCB does not experience political challenges in terms of influence on decision making or running of the bank's affairs. This is because KCB is a private organization. As much as the government has about 17% shareholding in KCB, they have given senior management the free hand to run the organization. The literature states that at a public sector organizational level, it might be expected that the political nature of governments would make it more difficult for rational models of strategic management to be implemented, given the almost inevitable interpenetration of politics into that arena (Lynn (1987, 1996). She also argues that some strategic management actions will be individually directed and political as well as related to personal as well as organizational advancement.

Motivational challenges especially when projects are not successful were also faced by the bank. Political challenges, economic challenges and technological challenges were faced by the bank as well. However, the study revealed that the senior management constantly comes up with ways and measures to mitigate these challenges. This is consistent with the literature according to Hiriyappa (2011) which states that sensitizing managers to the possible negative consequences and preparing them with effective means of minimizing such consequences will greatly enhance the potential of strategic planning.

The senior management in KCB ensures that they involve employees at all levels in the strategic management process. This is consistent with the literature which states that if the formulators of strategy are not intimately involved in implementation, individual responsibility for input to the decision process and subsequent conclusions can be avoided. Thus strategic managers must be trained to limit their promises to performance that the decision makers and their subordinates can deliver. This will motivate staff into being fully involved by giving their ideas and feedback and as a result they will have a sense of ownership since they will be participating fully in the whole process (Hiriyappa, 2011).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter will discuss the summary of the study. This will be followed by the conclusions of the study. It will also detail the recommendations of the study which include the implications for theory development, recommendations for management policy and recommendations for managerial practices. It will also discuss the limitations of the study and finally give suggestions for further research.

5.2 Summary

In relation to the strategic management practices adopted by KCB, the study revealed that there are various strategic management practices adopted by the bank. The interviewees stated that KCB has formulated the banks Mission and Vision statements. These statements are formulated after confirmation with the Board of Directors since the board can decide to change the statements. They all agreed that the statements are communicated to the employees during the rolling out of the bank's strategy.

The interviewees stated that KCB conducts situation analysis. This is done by periodically gathering and analyzing data about the market and other external or internal factors which affects its operations and business. The SWOT analysis is carried out so that management can determine how they can maximize on their strengths, improve on their weaknesses, exploit the opportunities and mitigate threats to the business. The interviewees stated that the analysis is done on a quarterly basis. This is because during that time, banks are reporting their performance. Therefore, KCB is able to compare its performance with other competing banks and in addition, find out what is happening in the market. Analysis is also carried out on an annual basis due to the rapid changes in consumer behavior.

The study revealed that KCB has strategic objectives. The interviewees stated that KCB has both long term and short term objectives. These objectives may vary every year while others may change mid-way. The interviewees revealed that the objectives included technology and innovation, business efficiency and growth, consolidation of regional business, customer service, sustainability and lastly business opportunities.

The study revealed that reviews of strategic management decisions in KCB are carried out in at different levels. This depends on the dynamics of the market or changes in policies governing the banks operations. The interviewees stated that this may force the bank to review its strategic management decisions to align itself with the changes. Monthly reviews are carried out so as to monitor performance as an ongoing process. This is followed by quarterly reviews or at the end of every three months which are carried out both at the business and individual level.

Reviews are also carried out on a five year basis. The interviewee explained that this is due to the rapidly changing consumer behavior, the volatile macro environment and the general international changes. The study revealed that senior management brief employees on the strategic management plan before implementation of the strategy. The interviewees stated that this is done because strategy belongs to the institution to be implemented. It therefore has to be aligned with the staff roles who know customer needs.

The second objective of the study was to establish the challenges of strategic management faced by KCB. The study revealed that there are strategic management challenges faced in KCB. In relation to the organization structure, the challenge is seen in the frequent change of top management. This becomes a hindrance in ensuring uninterrupted continuity of the implementation of strategic management practices. The interviewee gave the example of the Chief Finance Officer (CFO) in KCB recently exited the bank. This has slowed down the process of implementation of strategic management practices since the board has had to undergo a tedious and lengthy process of recruiting another Chief Finance Officer.

It was noted from the study that the issues revolving around organization structure may not always be viewed as challenges but also as opportunities. This is because KCB is coming up with customer focused ways of selling to customers based on their needs. Previously, it was product driven. The reporting lines have therefore been set up in relation to customer needs and not products.

The study revealed that the challenges in relation to monitoring the implementation of the strategic management come when the bank as a whole does not gain alignment of the staff's job descriptions to the overall mission, vision, goal and objectives the bank intends to achieve in the long run. The implementation of strategic management practices will not be successful when the people who are to implement do not understand the overall goal.

There are challenges that KCB faces in relation to financial constraints when implementing the strategic management practices. KCB relies on funding from its customers and shareholders. This implies that there are limited resources and therefore the senior management requires a long lead time to tap additional resources for strategy implementation especially from the stakeholders which takes about one year. However from customers, the key challenge is cost.

The study revealed that the challenges faced when implementing strategic management practices on operational responsibilities are minimal. This is because at the micro level which includes the departmental or branch level, the roles are very clear. In addition, before the strategy is put on the business plan, the owners have agreed that they have the resources to implement the strategic management practices.

The study revealed that there are no major challenges experienced when involving staff in implementing strategic management practices. This is because of the performance management tool used in KCB called the Individual Balanced Score Card (BSC). All the strategies are reflected in the individual score card and it is in agreement with the board that all individual score cards role up to the departmental score card.

The study revealed that the other resource based constraints other than financial constraints faced during the implementation of strategic management practices is seen especially when implementing strategic projects. These kinds of resources are not always available in house within KCB. As a result, senior management has to rely on consultants who are costly. In other instances, the technology required is not available especially locally.

The study revealed that the motivational challenges witnessed during the implementation of strategic management practices are minimal. This is because KCB has made the process of strategy implementation all inclusive. The top down and bottom up inputs towards the overall objectives are encouraged and collectively they decide on how the figures will be attained through a tactical plan which is motivating to the members of staff. However, motivational challenges may be seen especially where there is failure. It is important to note that not all projects will succeed. Senior management may have a culture of non-tolerance to failure and punish those who fail, whereas ideally, senior management should allow staff to learn from past failures.

The study revealed that there are no challenges faced in relation to resistance to change. Willingness to change is one of the core values that drive the business in KCB; hence the business as a whole embraces change. Resistance may only be seen if one is identified into a project which is challenging since people fear failure.

The study revealed that the Political challenges faced during the implementation of strategic management practices are seen from the external perspective especially now that the Kenyan Government has implemented devolution. As a result, some banks are preferred in certain counties and it becomes a challenge for the rest of the banks to penetrate the market. Example in the central region, banks like Equity Bank and Family Bank are preferred in comparison to other banks in the country. However, political challenges are not faced in terms of influence on decision making or running of the bank's affairs since KCB is a private organization. They added that in as much as the government has about 17% shareholding in KCB, they have given senior management the free hand to run the organization.

The study revealed that the issues revolving around implementation of strategic management practices which are social in nature may not be viewed as challenges but rather as corporate social responsibilities. KCB is expected to play its role as a good corporate citizen by giving back to the community. The demand on the bank may at times too high. However, the bank has committed to give 1% of the profit before tax towards the corporate social responsibility activities.

The Study revealed that the technological challenges during the implementation of strategic management practices arise due to the fact that technology has a short life span. The technological market is changing fast and the clients today are technologically savvy. KCB therefore has to keep upraising its technology every year so as to keep the customers happy.

KCB does not face any legal challenges locally during the implementation of strategic management practices. This is because the bank operates within the Kenyan Government law, the banking act and the Central Bank of Kenya (CBK) regulatory standards which are very clear on what the bank can or cannot do. The legal department is responsible for that.

5.3 Conclusion

Between the year 2010 to 2012, that is 2 years, KCB rose to becoming the best performing bank in the banking industry in Kenya surpassing other banks in the industry that had consistent performance over those years. The study concludes that the senior management in KCB has adopted strategic management practices which have enabled them achieve the great mile stones in the banking industry in Kenya.

In relation to the strategic management practices adopted by KCB, the study concludes that KCB has formulated the banks Mission and Vision statements which are communicated to the employees during the rolling out of the bank's strategy. This is because the vision and mission statements show the employees the direction the bank is heading and what it would want to achieve over the years. Situation analysis is carried out periodically gathering and analyzing data about the market and other external or internal factors which affects its operations and business.

KCB has both long term and short term objectives which included technology and innovation, business efficiency and growth, consolidation of regional business, customer service, sustainability and lastly business opportunities. Reviews of strategic management decisions in KCB are carried out at different levels depending on the dynamics of the market or changes in policies governing the banks operations. Senior management brief employees on the strategic management plan before implementation of the strategy. This is done because strategy belongs to the institution to be implemented. It therefore has to be aligned with the staff roles who know customer needs.

The study concludes that KCB faces various challenges of strategic management. In relation to the organization structure, the challenge is seen in the frequent change of top management. This becomes a hindrance in ensuring uninterrupted continuity of the implementation of strategic management practices. The issues revolving around organization structure may not always be viewed as challenges but also as opportunities. This is because KCB is coming up with customer focused ways of selling to customers based on their needs.

The challenges in relation to monitoring the implementation of the strategic management come when the bank as a whole does not gain alignment of the staff's job descriptions to the overall objectives of the bank. There are challenges in relation to financial constraints because KCB relies on funding from its customers and shareholders. This implies that there are limited resources.

The challenges faced when implementing strategic management practices on operational responsibilities are minimal. This is because at the micro level which includes the departmental or branch level, the roles are very clear. The technological challenges during the implementation of strategic management practices arise due to the fact that technology has a short life span. KCB therefore has to keep upraising its technology every year so as to keep the customers happy.

5.4 Recommendations

Recommendations of the study were divided into three major sections namely implications for theory development, recommendations for managerial policy and recommendations for managerial practices.

5.4.1 Implications for Theory Development

As a strategic management practice, the study revealed that KCB reviews strategic management decisions. This depends on the dynamics of the market or changes in policies governing the banks operations. This may force the bank to review its strategic management decisions to align itself with the changes. This implies that KCB does not limit itself to the theory but allows for flexibility to amend its strategies in response to the changes in the environment.

The study revealed that KCB has adopted the inclusion of an emerging and evolutionary process. This is where the bank encounters a process that was not initially in the plan, but since it meets the overall objective and is useful, the process is included. Senior management should therefore not be limited to laid down theories, but allow for flexibility when coming up with strategies for their institutions.

The study revealed that KCB faces various challenges. These include challenges in organizational structure, financial constraints, motivational challenges, political challenges and technological challenges. The study revealed that the KCB has various sets of learned processes and activities that enable the bank to produce a particular outcome. These are like best practices. These practices are distinctive, that is, unique to KCB and are rooted in the bank's history. They are captured not just in routines, but in business models that go back decades and that are difficult to imitate.

In Addition, KCB mitigates the challenges faced by the efficient application of all useful resources. This enables the bank determine its competitive advantage. KCB has over the year's attained competitive advantage from its consistent high performance routines operating inside the firm, embedded in the firm's processes, and conditioned by its history.

5.4.2 Recommendations for Management Policy

The study revealed that senior management at KCB strive to make the strategic management process as inclusive as possible from the lower level employees to senior management. The study revealed that the CEO takes formal responsibility for the banks strategic management planning. In addition, the study revealed that members of staff are briefed and taken through the strategic management plan before implementation.

The interviewees explained that this is done so as to create a sense of ownership and to ensure that employees feel part of the entire process since they are the ones to implement the strategy. Senior management in the banking industry should ensure that that they include employees at all levels of management since it is evident that it has worked positively for KCB as seen in their consistent high performance.

The senior management has come up with various ways to mitigate the challenges of strategic management faced by the bank. In relation to challenges faced when monitoring, the senior management has ensured that the daily job descriptions of employees are set so that they all contribute to the overall objective of the bank. The banks financial targets are also divided among all employees as targets. Management in other financial institutions should therefore ensure that the roles and responsibilities of their staff all contribute towards the overall objective of their institutions.

5.4.3 Recommendations for Managerial Practice

The study revealed that KCB has clearly defined mission and vision statements. These statements are communicated to members of staff during the rolling out of strategy. The mission and vision statements state where the bank is heading and what it would like to achieve in future. The senior management has to come up with ways to reach its ultimate goal. This is done by senior management coming up with strategic objectives which include technology and innovation, business efficiency and growth, consolidation of regional business, customer service, sustainability and new business opportunities.

The study revealed that senior management achieve these objectives through their employees by ensuring that the daily job descriptions of each employee all contributes towards achieving the overall objective of the bank. Senior management in KCB use a performance management tool referred to as an Individual Balanced Score Card. This BSC is reflective of the action plans agreed upon by the board and represents bits of the overall strategy. Senior management in other banks should also introduce this performance measurement tool as it ensures that all employees play their role and achieve their targets towards the overall objective of the bank.

In relation to challenges, the bank mitigates resistance to change by ensuring that there is staff involvement during the development of strategy. KCB employs both top down and bottom communication when coming up with strategy. As a result, employees have a sense of belonging towards the bank. The employees are also motivated to achieve their own targets because as in so doing, they will ensure than the bank as a whole achieves its overall objectives.

5.5 Limitations of the Study

This study focused on KCB. The results of this study are therefore limited to KCB and may not necessarily be applicable in other financial institutions. Therefore, attempts to interpret the results in other financial institutions should be approached with care.

The study also focused on strategic management practices and the challenges of strategic management in KCB. Thus the scope of the study was limited to the strategic management practices the challenges of strategic management in KCB and not any other concept. This limits the results.

The study also used case study method to carry out the study. Case studies are usually biased as the method of data collection relied upon was the use of interview guides which were administered to the interviewees on a one on one basis. This therefore suffers from bias of responses from the interviewees.

5.6 Suggestions for Further Research

The study was limited to KCB where the researcher sought to determine the strategic management practices and the challenges of strategic management in KCB. Further research could be carried to determine how KCB can mitigate the strategic management challenges faced.

Further research could also be carried out to determine the strategic management practices adopted by other financial institutions that have excelled in the banking industry. This will guide other banks in the industry on how to come up with strategies that will enable them achieve their overall objectives.

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APPENDIX 1:

INTERVIEW GUIDE

STRATEGIC MANAGEMENT PRACTICES ADOPTED BY KENYA COMMERCIAL BANK LIMITED

Part A: General Information

Name of Branch...

Date of Survey...

Name of employee...

Job title...

Department...

Part B: Strategic Management Practices

i. Situational Analysis Practices

1. Does KCB periodically gather and analyze data about the market and other external or internal factors which affect its operation and business?
2. How often do they gather and analyze this data?
3. Does the external or internal market analysis identify key strengths, weaknesses, opportunities and threats to the business?
4. How does it identify key strengths, weaknesses, opportunities and threats to the business?

ii. Formulation Practices

1. Does the chief executive officer take formal responsibility for the bank's strategic management planning?
2. If yes, how does he take this responsibility?

3. If no, why doesn't he take this responsibility?
4. Is Strategic Management Practice a top priority activity in KCB?
5. Does KCB provide resources earmarked specifically for strategic management planning?
6. Which resources are they?
7. Does KCB hire the services of a consultant in the process of Strategic management development?
8. If yes, what roles does the consultant play?
9. If no, why don't they hire consultants?
10. Are members of staff briefed and taken through the strategic management plan before implementation?
11. If yes, why are they briefed?
12. If no, why are they not briefed?

iii. Implementation Practices

1. Does KCB have a written mission and vision statements?
2. Does KCB management come up with ways to ensure that all staff are aware of the mission and vision statement?
3. If yes, what ways are they?
4. If no, why don't they come up with ways to ensure that all staff are aware of the mission and vision statement?
5. Does KCB have strategic objectives? Yes or No
6. What strategic objectives are they?
7. Have the strategic objectives had any effect on strategy?

iv. Evaluation Practices

1. Does KCB set clearly defined and measurable performance targets for each strategic management plan element? Yes or No Which ones are they?
2. Does KCB conduct perception surveys to gauge staff and customer satisfaction? Yes or No
3. How often are the surveys conducted? What were the results of the most recent perception surveys carried out for staff and customers?
4. Does KCB review strategic management decisions? Yes or No
5. How often does KCB review strategic management decisions?
6. If yes, give an account of the most recent reviews
7. What other strategic management practices would you say KCB has adopted?

Part C: Strategic Management Challenges

1. Do you experience any challenges in relation to the organizational structure when implementing the strategic management practices? Yes or No
2. If yes, kindly state the challenges faced in relation to the organizational structure during the implementation of strategic management practices.
3. Do you experience any challenges when monitoring the implementation of the strategic management practices? Yes or No
4. If yes, kindly state the challenges faced when monitoring the implementation of the strategic management practices.
5. Do you experience any financial constraints when implementing the strategic management practices? Yes or No

6. If yes, kindly state the financial constraints faced during the implementation of strategic management practices.
7. Do you experience any challenges when implementing strategic management practices on operational responsibilities? (Daily job Descriptions) Yes or No
8. If yes, kindly state the challenges faced on operational responsibilities during the implementation of strategic management practices.
9. Do you experience any challenges when involving staff in implementing strategic management practices? Yes or No
10. If Yes, Kindly state the challenges faced when involving staff in the strategic management implementation process.
11. Do you experience any resource based constraints other than financial constraints during the implementation of strategic management practices? Yes or No
12. If Yes, Kindly state the other resource based constraints faced during the strategic management implementation process.
13. Do you experience any motivational challenges during the implementation of strategic management practices? Yes or No
14. If Yes, Kindly state the motivational challenges faced during the strategic management implementation process.
15. Do you experience any challenges of resistance to change during the implementation of strategic management practices? Yes or No
16. If Yes, Kindly state the cases where there was resistance to change during the strategic management implementation process.

17. Do you experience any Political challenges during the implementation of strategic management practices? Yes or No
18. If Yes, Kindly state the political challenges faced during the strategic management implementation process.
19. Do you experience any Economic challenges during the implementation of strategic management practices? Yes or No
20. If Yes, Kindly state the Economic challenges faced during the strategic management implementation process.
21. Do you experience any social challenges during the implementation of strategic management practices? Yes or No
22. If Yes, Kindly state the social challenges faced during the strategic management implementation process.
23. Do you experience any technological challenges during the implementation of strategic management practices? Yes or No
24. If Yes, Kindly state the technological challenges faced during the strategic management implementation process.
25. Do you experience any legal challenges during the implementation of strategic management practices? Yes or No
26. If Yes, Kindly state the legal challenges faced during the strategic management implementation process.
27. Is there any other comment you would like to make regarding the subjects we have been discussing?

That marks the end of the interview. Thank you for your time, kindness and participation.