CHALLENGES IN IMPLEMENTING ELECTRONIC BANKING STRATEGY BY COMMERCIAL BANKS IN KENYA

BY

NJURU, JANE N.

A management research project submitted in partial fulfillment of the requirements of the degree of Masters of Business Administration (MBA), School of Business, University of Nairobi

October, 2007

Declaration

This project is my ORIGINAL work and has not been presented for a degree in any other university.

SIGNED...DATE 18th October 07

NJURU, JANE N.
D61/P/8669/05

This project has been submitted for examination with my approval as the university supervisor.

Signed: ______________________ Date 18th/10/2007

Dr. Martin Ogutu
Senior Lecturer, Department of Business Administration
School of Business,
University of Nairobi.

Dedication

To my loving mother, my late dad, my siblings Ngua, Gachamiu, Kiki, Githokia and fiance Kombo.

Acknowledgement

I would like to acknowledge the Almighty God for the gift of life and intellectual ability to carry out this research. I also acknowledge my mother (the best mother) and late father for the good foundation they lay for me. To my family: Ken, Sarah, Stanley, Andy and Kombo, for their Love and immeasurable support through out the course of my study. To all my friends and classmates at the university: Thanks for the encouragement and teamwork.

To my supervisor Dr. Martin Ogutu, who reviewed and commented critically on the report and progress. Without your consideration, input, and encouragement, this study could not have been completed

THANK YOU.

TABLE OF CONTENTS

List Of Tables And Chart

Definition Of Terms Used

B2B - Business to business

B2C - Business to consumer

CBK – Central Bank of Kenya

EDI - Electronic Data Interphase

ESD - Electronic service delivery

ICT – Information communication Technology

Ksh – Kenya shilling

KEPSS - Kenya Electronic Payments and Settlement System

RTGS - Real Time Gross Settlement

Abstract

Electronic or online banking is the newest delivery channel to be offered by the retail banks in many developed countries and there is wide agreement that this channel will have a significant impact on the market. Kenya has not been left behind in this development. Although electronic banking is a growing phenomenon, the underlying factors inhibiting its implementation are not well understood. This paper presents the challenges inhibiting electronic banking implementation and how banks are responding to these challenges. The targets of the study were the commercial banks in Kenya. This study gives a brief overview of the academic literature on the challenges and the responses that organizations employ in strategy implementation and the extent of electronic business use. The findings from the Kenya Commercial banks are then reported.

The paper concludes that there exist various challenges to the implementation of electronic banking in Kenya Commercial banks. The banks have thus employed strategic responses to overcome these challenges with some of the responses being more popular than the rest depending on the Impact they have on the implementation process. Lack of required infrastructure, resources and specialized skills, commitment from the senior management team and fear of adopting the system by both the bank employees and customers were some of the major challenges that were identified while training of bank employees and customers, employing specialized technology and staff and lowering electronic banking charges were some of the popular responses that banks have been using. The entire internal and external environment however needs to be considered during the implementation of the electronic banking strategy.

CHAPTER 1: INTRODUCTION

1.1 Background

1.1.1 Strategy Implementation Challenges

Andrews (1971), defines strategy as a pattern of decisions in a company that determines and reveals its objectives, purposes or goals, produces the principal policies and plans for achieving those goals and defines the range of business the company is to pursue. Strategy implementation is an enigma in many companies. The fatal problem with strategy implementation is the de facto success rate of intended strategies. In research studies it is as low at 10 percent (Judson, 1991).The primary objectives are somehow dissipated as the strategy moves into implementation and the initial momentum is lost before the expected benefits are realized.

There are various strategy implementation challenges existing in organizations today and it has become necessary for the organizations to come up with ways to deal with the challenges for success of the implementation. At first look, the suggestion that communication aspects should be emphasized in the implementation process seems to be a very simple one. Even though studies point out that communication is a key success factor within strategy implementation (Miniace and Falter, 1996), communicating with employees concerning issues related to the strategy implementation is frequently delayed until the changes have already crystallized. In this context, it is recommendable an organization institute a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy.

Traditional strategy implementation concepts generally over-emphasize the structural aspects and reduce the whole effort down to an organizational exercise. It is dangerous, however, when implementing a new strategy, to ignore the other existing components. Strategy implementation requires an integrative point of view. Not only the organizational structure, but cultural aspects and the human resources perspective are to be considered as well (Alexander, 1985).

Another reason why strategy implementation processes frequently result in difficult and complex problems or even fail at all is the vagueness of the assignment of responsibilities. In addition, these responsibilities are diffused through numerous organizational units. Unfortunately, in practice, managers and supervisors at lower hierarchy levels who do have important and fertile knowledge are seldom involved in strategy formulation. When they are, however, the probability for realizing a smooth targeted and accepted strategy implementation process increases substantially (Grundy, 1998).

Research studies indicate that less than 5 percent of a typical workforce understands their organization's strategy (Kaplan and Norton, 2001). This is a disturbing statistic as it is generally believed that, without understanding the general course of strategy, employees cannot effectively contribute to a strategy implementation. To involve employees is an important milestone to make strategy everyone's everyday job. That is why the involvement of middle managers is essential to increase the general awareness of the strategy.

1.1.2 State of Electronic banking in Kenya

Electronic banking is one of the most frequently used applications of digital services today. Individuals and business customers use it to transfer money and check bank accounts (Baldock, 1997). There are potential environmental and financial benefits to be delivered by electronic banking. Electronic banking makes not only the journey to the bank obsolete, but reduces the amount of paper-based documents and banking office space used. Therefore, costs per transfer by the internet are far cheaper than with traditional transfers. However, these potential financial savings might be countered by (additional) processes and requirements, such as the need for Information Communication Technology (ICT) hard and software or the potential increase in private mobility due to the time savings (rebound effect) (Heiskanen.,et al, 2002). In its very simplest form, electronic banking can mean the provision of information about the bank and its products via a page on the World Wide Web (Baldock, 1997). A more developed service is one that provides the customer with the opportunity to gain access to their accounts and execute transactions or to buy products online (Elizabeth, 1999).

The Central Bank of Kenya launched a Real Time Gross Settlement (RTGS) system known as the Kenya Electronic Payments and Settlement System (KEPSS) in July 2005 in an effort to modernize the country's payment system in line with global trends. The main objective of introducing KEPSS was to reduce the dominance of cash as a financial instrument in the payment system, reduce risk arising from payment exposure, enhance safety and efficiency of exchange in value between transacting parties and provide an on-line settlement system that enables both banks and individuals to effect funds transfer electronically on a real time basis (Central Bank of Kenya, 2005).

Currently in Kenya Internet banking use is picking up and several banks are involved. Major banks that offer Internet banking systems include Barclays Bank of Kenya, Commercial Bank of Africa, Bank of Africa, Kenya Commercial Bank, Standard Chartered Bank and Citibank (Market Intelligence, 2005). Majority of these banks offer the Internet banking systems only to their retail customers, while others offer the systems to both retails and corporate customers. All this has been made possible by the various advancements made in the Information and Communication Technology (Acharya and Kagan, 2004). The use of Internet Technology has really picked up in Kenya today and huge amounts of money have been spent to make this a reality. Internet banking allows customers to perform a wide range of banking transactions electronically via the bank's Web site.

1.1.3 Commercial Banks in Kenya

The Central bank of Kenya manages the two categories of the banking sector which are the Public and Private financial institutions. The public financial institutions are 3 which include National bank of Kenya, Consolidated Bank of Kenya and Development Bank of Kenya. The Private Financial institutions are both local and foreign with locals having 38 commercial banks, 2 mortgage financial institutions, 1 building society and 1 financial institution. There are 11 foreign commercial banks in Kenya (Central Bank of Kenya, 2005).

Overall the banking sector has remained stable in over the period, mainly due to favorable macroeconomic conditions prevailing (Central Bank of Kenya, 2005). Faced with good economic prospects, the banking sector has improved its asset quality portfolio and has retained high capital adequacy ratios. The sector also registered growth in deposits and profitability. The improved performance resulted from increased income on loans and advances and a significant inflow of foreign deposits. Total assets expanded by 17.3 percent or Ksh 114.5 billion, from Ksh 661.3 billion at the end of February 2006 to Ksh 775.8 billion at the end of February 2007. The major assets were loans and advances and Government securities that constituted 53 percent and 21 percent, respectively, of total assets.

There was a banking sector fragility in 1999 which resulted from poor management, and worsening economic conditions. In 1998, several major Kenyan banks collapsed, including Trust Bank, Reliance Bank, Prudential Bank, Bullion Bank; and the giant National Bank almost folded. In 1999, Richard Leaky was named director of the Central Bank of Kenya under pressure from the World Bank in order to stem corruption in the banking system. Some of the drivers of the industry's deteriorating performance during this period were identified as heavy investments occasioned by the "millennium bug", power shortage, changing customer tastes and preferences, bank robberies, falling interest rates and the controversial Central Bank 2000(Amendment) Bill also referred as the Donde bill (Marketing Intelligence,2001).

The banking sector has witnessed stiff competition forcing banks to re-package their services and products to satisfy the needs of the customers and retain their market share. Institutions are therefore increasingly offering e-banking services for both residents and non-residents (Central Bank of Kenya, 2005). As the competition intensified on the backdrop of declining profits, the institutions went out more aggressively to capture the retail depositors and maintain corporate clients, the deposit liabilities grew by 11 percent from 303 billion to 335 billion in 2001 and 2002 respectively. To fight competition, Islamic banking has emerged as a new market product with banks like Barclays Bank of Kenya offering it in Kenya. In response to this, some of the institutions have redefined their business strategies while leveraging on innovative and affordable products to capture this new market segment. In the long run, the success and soundness of the financial institutions and the entire sector will depend on the achievement of operational efficiency through the application of prudential practices, good corporate governance and robust risk management frameworks.

1.2 Statement of the Research Problem

Commercial banks play a very important role for the economic development of the country. Banks are the back bone for the economic development of any country. They increase savings from increase investments in a country by offering loans the deposits by their customers, they, contribute in employment in a country, facilitate the transfer of money from one party to another, offer loan to the government and the general feasible public, they increase capital formation and they encourage balanced development. Commercial banks mostly specialize in short term business credit but also make consumer loans and mortgages and have a broad range of financial powers. A planned banking system is indispensable for economic growth and development of the country.

The Internet is gaining popularity as a delivery channel in the banking sector. At the same time, customer needs are changing and generally the environment that the banks are operating in is changing (Lagoutte, 1996). Into this scenario arrived the Internet – another radical technological innovation with the potential to change the structure and nature of banking. It is acknowledged that electronic business technologies are innovations that can provide the needed transformation for a business success in today's increasingly global business environment (Turban etal., 2002; Chang and Hyung, 2002; Hamel, 2000; Castells, 2001). In adopting the electronic banking strategy commercial banks in Kenya are facing various challenges that if not well managed will see them fail in implementing the strategy or they might not derive the value intended from the service. It is in this line that this paper aimed to uncover the challenges that the commercial banks face in implementing electronic banking and to suggest ways in which they can face these challenges.

Electronic business related studies undertaken in the world such as those by Chong(1999), PriceWaterHouse Coopers(1999), Chang and Hyung (2000), Tan and Teo(2000), Clark etal.,(2001) focus more on Information Communications Technology

(ICT) in general but not on Electronic Banking in particular. Although research into the adoption and use of electronic banking services has grown in many parts of the world and studies are now emerging in Kenya on the same (Nyambati, 20001), (Nyambura (2000) the centre of attention has been largely on determinants of electronic banking adoption, (Ochieng, 1998), (Turban etal., 2002) users' satisfaction with use, Musembi (2001), but not on the challenges faced by commercial banks in Kenya in the adoption of electronic banking. Studies by Kipngetich (1991), Nyambane(1996), Mbuvi(2000), Odilon(1999), Sang(2001), Mugunda(2001), and Abwao(2002), may not be expected to fully explain the uptake of Electronic banking for one reason; Havner,(1992) argues technologies are universal and that problems in their implementation stem from social and organizational factors rather than the technology itself. This suggests that factors cited in electronic banking research from other environments do not reflect the influence of a possibly unique Kenyan environment on the implementation of electronic banking. These studies however formed a basis for the current study. What are some of the challenges that Kenyan banks face while implementing the electronic banking strategy and how can banks respond to the challenges?

1.3 Research Objectives

The research objectives of the study are:

i. To establish the challenges faced by commercial banks in Kenya in implementing electronic banking.
ii. To determine how commercial banks in Kenya are responding to the challenges of implementing electronic banking.

1.4 Importance of the Study

The study will be of significant importance to various groups who are involved or affected by electronic banking in Kenya.

These groups include:

a) The banks under study: The research findings will help the commercial banks clearly identify the root challenges and find out how they can respond to the same.

b) Technology innovators: the study will give the technology innovators come up with solutions that will help the banks face the electronic banking implementation.

c) Other research students and scholars: The findings in this study will provide an insight and basis of further research by the academics and the researchers on Internet Banking

CHAPTER 2: LITERATURE REVIEW

2.1 Electronic Business

The total internet can be bewildering and elusive in it's ever expanding size, rate of growth, variety of its uses and users, the claims and hype advanced on its behalf, technology and the innovations it has made possible. A realistic business model for Electronic commerce on the internet must derive from an understanding of what we know today rater than on what some people think will happen sometime soon (Keen etal., 1998).

Electronic business is the conduct of business generally with the assistance of telecommunications and telecommunications based tools (Clarke, 2001). Clarke adds that electronic business encompasses a wide range of activities such as electronic commerce, electronic publishing, electronic service delivery (ESD) and that its scope extends across the business activities of all categories of organizations and individuals, whether undertaken for profit or as a service to the community. In this view electronic business consists of electronic commerce, electronic marketing, electronic franchising, electronic engineering, electronic learning or electronic procurement (Amor, 2000). Clarke (2001) defines the provision of services online in various service domains including government, banking, financial services, reservation for travel, entertainment and learning as ESD.

A distinction in the literature on electronic business is often made between business to business (B2B) e-commerce and business to consumer (B2C) e-commerce. Kalakota and Whinstone (1997) observe that this classification is based on the strategic success factors and the underlying technologies of electronic commerce. They explain that the difference is in the use of the internet to automate the conduct of business with suppliers or other business partners for business to business ecommerce and the selling of merchandise or providing services to customers for business to consumer e commerce. For B2B e commerce, the use of EDI (Electronic Data Interphase) is common. EDI is the family of standards for expressing structured data that represents e-commerce transactions such as a means for communicating offers to potential buyers (e-catalogues), a set of mechanisms for setting prices(e-auctioning) and electronic documents such as invoices, debit and credit notes.

While both Clarke (2001) and Amor (2000) adopt broad definitions of e-business, there has been a trend in recent years to adopt a much narrower interpretation of the term. This trend restricts e-business to business enterprises alone and focuses on their internal processes. Such narrowness seems to have been inspired by the adoption of a trademarked semi-graphical representation of electronic business by IBM and it appears that this industry driven interpretation is becoming the mainstream concept of electronic business (Clarke, 2001). Electronic business embraces the uses of the web based applications like intranets and extranets in exchange and distribution of goods and services, coordination of their manufacturing, managing functions and interfacing with all stakeholders.

2.2 The Concept of Strategy and Strategy Implementation

The core concept of strategic management is strategy. Ansoff (1990) defines strategy as a systematic approach for managing change which consists of first positioning of the firm through strategy and capability planning, secondly real time strategic response through issue management and thirdly systematic management of resistance during strategic implementation. Chandler (1962) in his definition of strategy emphasized the determination of basic long term goals and objectives, the adoption of courses of action to achieve them and the allocation of resources as being central to the concept of strategy. Strategy is fundamental in the planning process since strategic decisions influence the way organizations respond to their environment. Schender and Hofer (1979) define strategy intems of its function in the organization. They assert that the purpose of strategy is to provide directional cues to the organization that permit it to achieve its objectives while responding to the opportunities and threats in the environment.

Strategies exist at several levels in any organization ranging from the overall business (or group of businesses) through to individuals working in it. Corporate Strategy is concerned with the overall purpose and scope of the business to meet stakeholder expectations. This is a crucial level since it is heavily influenced by investors in the business and acts to guide strategic decision-making throughout the business. Corporate strategy is often stated explicitly in a mission statement. Business Unit Strategy is concerned more with how a business competes successfully in a particular market. It concerns strategic decisions about choice of products, meeting needs of customers, gaining advantage over competitors, exploiting or creating new opportunities etc. Operational Strategy is concerned with how each part of the business is organized to deliver the corporate and business-unit level strategic direction. It focuses on issues of resources, processes and people (Porter, 1996).

2.3 Factors in Strategy Implementation

Strategy implementation has to do with putting the chosen strategy into action. To make the strategy operational, the organization needs annual objectives, functional strategies and policies. Strategy implementation entails converting the organization's strategic plan into action and then into results. An Okumus (2003) note that success in a business will be affected by how well a good strategy is implemented regardless of the sector in which an organization is operating. Thompson and Strickland (1996) note that putting a strategy in place and getting the organization to execute it well call for a different set of managerial tasks and skills. They also argue that it is the job for the whole management team and not for a few senior managers.

One of the most cited implementation frameworks was proposed by Waterman et al. (1980). Based on their research and consultancy work, these authors argued that effective strategy implementation is essentially attending to the relationship between the following seven factors: Strategy; Structure; Systems; Style; Staff; Skills; and Subordinate goals. Although Waterman et al. defined and discussed each of these factors individually; they did not provide clear examples and explanations for the relationships and interactions between factors. Nor did they evaluate how their relationships actually make strategy implementation happen. In their empirical research, Skivington and Daft (1991) identified several factors that influence strategy implementation. These factors included intended strategy; structure; systems; interactions; and sanctions. They then divided them into two groups: framework and process factors. They concluded that both framework and process factors could be used in implementing either low-cost or differentiation decisions.

Roth et al. (1991) empirically examined the importance of international strategy on organizational design and its influence on the strategy implementation process. These authors identified six factors, which they argued should each be designed specifically in order to implement global or multi-domestic strategies. These factors are: coordination; managerial philosophy; configuration; formalization; centralization; and integrating mechanisms. The results of their research indicated that global and multi-domestic strategies require different implementation requirements. They found that when there was a proper alignment between strategy, administrative mechanisms and organizational capabilities, it was much easier to implement the strategy and achieve the desired objectives. They therefore suggested that the administrative systems and capabilities of the organization should be readjusted if the intended strategy was to achieve its aims.

Hrebiniak (1992) proposed a conceptual framework to implement strategies in global firms. He incorporated earlier work carried out by himself and Joyce in (Hrebiniak and Joyce, 1984), and suggested the following new specific implementation factors: leadership; facilitating global learning; developing global managers; having a matrix structure; and working with external companies.

Another framework, consisting of four factors, was proposed by Yip (1992): organizational structure; culture; people; and managerial processes. Yip argued that these four factors and their individual elements determine the crucial organizational forces that affect a company's ability to formulate and implement strategies. Bryson and Bromiley (1993) reported the results of a quantitative cross-sectional analysis of 68 case descriptions of major projects in public companies. These researchers identified several factors and grouped them into three categories; namely: context; process; and outcome. They then aimed to statistically illustrate how certain context factors influence the process factors and, subsequently, the outcome. However, their research results are not conclusive in terms of clearly illustrating the relationships between the context and process factors.

Further to reviewing previous implementation frameworks, most of which are cited above, Okumus (2001) identified a number of implementation factors and constructed a conceptual framework by categorizing those factors into four groupings: content; context; process; and outcome. Okumus proposed a new framework and stated that it is the combination of all factors working together that makes the transformation process possible. However, the process factors are primarily used in a synergistic manner in an ongoing process, but understanding and manipulating the context in which strategies are implemented is particularly important. Okumus further claimed that strategic decisions are often implemented without having a proper fit between the strategy and the implementation factors. Any inconsistency with one factor influences the other factors and, subsequently, the success of the implementation process. Therefore it is not always feasible to achieve coherence between implementation factors in situations of dynamic and complex change

The balanced scorecard technique has been linked to strategy implementation in recent years (Creelman, 1998; Kaplan and Norton, 1996, 2001). This technique aims to provide executives with a concise summary of the key success factors of a business, and to facilitate the alignment of business operations with the overall strategy. It has four angles which are the financial perspective, the customer perspective, the internal business perspective and the learning and growth perspective. The overall idea behind this technique is that organizations are advised to align their performance measures in these four perspectives. The developer of the technique, Kaplan and Norton (1996, 2000) suggested five principles:

i. Translate the strategy to operational terms;
ii. Align the organization to the strategy;
iii. Make strategy everyone's job;
iv. Make strategy a continual process; and
v. Mobilize change through leadership.

In terms of using the balance scorecard approach in implementing strategies, Kaplan and Norton (1996) identified four main implementation factors: Clarifying and translating the vision and strategy; Communication and linking; Planning and target setting; and Strategic feedback and learning.

2.4 Challenges in Strategy Implementation

The McKnisey 7 - S model identifies seven factors that if not considered while executing a strategy might make it ineffective. These factors were identified as Strategy being the actions taken by an organization in response to changes in the external environment or intended to achieve a competitive advantage; Structure being the way tasks and people are specialized and divided and authority distributed; Systems being the informal procedures used to manage the organization, including management control systems, performance measurement and reward systems, planning, budgeting and resource allocation systems, and management information systems; Staff being the people, their backgrounds and competencies; how the organization recruits, selects, trains, socializes, manages the careers, and promotes employees; Skills being The distinctive competencies of the organization: what it does best along dimensions such as people, management practices, processes, systems, technology, and customer relationships; Style of leadership as practiced by managers; shared values being the core or fundamental set of values that are widely shared in the organization and serve as guiding principles of what is important; vision, mission, and values statements that provide a broad sense of purpose for all employees.(Kaplan 2004).

Over fifteen years ago, Alexander (as in Al-Ghandi, 1998) claimed that overwhelming majority of the literature has been on the strategy formulation and there was very little on strategy implementation. Companies are still facing difficulties with strategy implementation process. Al-Ghamdi (1998) indicated that most companies attempting to develop new organization capabilities stumble over these common organizational hurdles which include coordination of the implementation activities not being effective enough, insufficient capabilities of employees and inadequate training and instruction given to lower level employees.

Often strategy implementation for an effective organizational change fails at the management hierarchical level due to opposition on the part of the senior executives

(Pechlaner and Sauerwein, 2002). The phenomenon of declining commitment from senior management is attributable to a range of factors including lack of understanding of the objectives of the new strategy (see Hipkin and Lockett, 1995; Hansson et al., 2003), or a perceived threat to supervisors' and managers' roles induced by the strategy (Barodoel and Sohal, 1999). If tangible benefits were not immediately forthcoming, they quickly revert to tried and tested approaches. The staff and the middle level managers might have seen the need for the adoption of the new strategy but the executive management might have an objection and since they in most cases are the ultimate decision makers, the formulation is halted.

Al-Ghamdi (19980 identified barriers to strategy as having competing activities that distract attention from the implementation decision, non clear or vague definition of the changes in key employees responsibilities, key formulator of the strategic decision not playing and active role in implementation, late communication to the top management about the implementation and their involvement, vague definition of the key implementation tasks and activities, Inadequate information systems used to monitor the implementation, overall goals not being understood by the employees, uncontrollable factors in the external environment, surfacing of major problems which had not been identified from the beginning, advocates and supporters of the strategy decision leaving the organization during implementation and the strategy implementation taking more time that originally allocated.

Meldrum and Atkinson (1998) identified two problems of strategic implementation as a flawed vision of what it means to be in a strategic position within an organization; and a myopic view of what is needed for the successful management of operational tasks and projects within strategic brief. If the team only concentrates on the managerial tasks in the process and not the actual activities and actions that are required in the implementation process, they might face a problem during the process. Some of the activities might be overlooked during the planning and finally the implementation period. Awino (2000) also identified factors that might pose a challenge to strategy implementation. He identified them as lack of fit between strategy and structure, inadequate information and communication failure to impart new skills. Surprisingly, given the level of resources provided for the rollout of the new performance management system, employees at every level of the organization appeared to lack the necessary knowledge and skills required for their particular contribution to the system's implementation.

Studies by Okumu (2003) found that the main barriers to the implementation problem included the lack of coordination and support from the levels of management and resistance from lower levels and poor planning activities. Employee commitment to strategy implementation programmes is crucial given that they actually execute implementation activities (Hansson et al., 2003). Low employee commitment could therefore obstruct acceptance of an implementation process (Saad and Siha, 2000). A range of intangible and therefore difficult to measure factors such as understanding, ownership and involvement, are also important in obtaining success. In some cases there might be no systematic plans developed for addressing resistance to the implementation of the new strategy based on: fear of losing jobs (Hardwick and Winsor, 2002), negative experiences of previous problematic change projects, changes to their internal status (McAdam and McGeough, 2000), or because of the stressful work conditions that a new strategy may induce

Freedman(2003) lists out major implementation pitfalls which include strategic inertia, lack of stakeholder commitment, strategic drift, strategic dilution, strategic isolation, failure to understand progress, initiative fatigue, impatience and not celebrating success. On the same issue, Sterling (2003) on his research work identifies them as unanticipated market changes, lack of senior management support, effective competitor responses to strategy, application of insufficient resources, failure of buy in, failure of understanding and/or communication, lack of focus and bad strategy.

Koske (2003) outlines inappropriate resource allocation, separation of strategy formulation from implementation, lack of link between reward systems and strategy performance, lack of fit between strategy and organizational culture, failure to predict implementation time and problems likely to be encountered , unexpected commitments and activities that may be distractive and result to diversion of resources already planned for, possibility of change in the basis on which the strategy was formulated and insuffient flexibility.

2.4.1 Challenges for Implementing Electronic Banking

Regardless of the many benefits from use of Internet banking, there are some challenges that banks are facing on implementing the strategy. Firstly Internet banking requires good infrastructure. This means to use Internet banking, banks and customers need to invest in the acquisition of proper supportive infrastructure. Implementing web technology as a business channel requires organizational ability and resources to utilize web technology more efficiently, such as hardware and software. So can the shortage of knowledgeable personnel, even if the technology is there. The lack of experience and knowledge in using online business can inhibit adoption. Customer knowledge barrier may come from a lack of diffusion capability, and the lack of investment in training for internal employees. (Chircu and Kauffman, 2000). Secondly, security is another concern when using Internet banking. Banks have to make sure that the systems they are putting in place are totally secure so as not to put the funds and customer information at risk. A lot of customers on the other hand have questioned how safe the Internet systems are. This has led some rejecting the adopting Internet banking; this is due to risky nature of the Internet. Hackers are a constant reminder of how unsafe Internet banking can be. Thirdly legal requirement for the safe use of the Internet banking are lacking. This is due to the fact that the technology is fairly new (Burnham 1996). A lot of countries, Kenya included do not have law covering the usage of Internet banking.

2.5 Organizational Response Strategies

The new strategy should be consistent with the strategic direction of the company and be appropriate to the prevailing market conditions. The expertise and knowledge of strategy makers in managing change are crucial, and only active participation from all levels of management will ensure its success. The potential impact of ongoing and future projects on the new initiative should be considered and an overall maintenance strategy is needed to guide those with responsibility for the day-to-day operation of the new strategy. This must ensure senior management commitment to the implementation process. The impact of organizational culture on communication, coordination and cooperation between different levels of management and functional areas should be addressed, especially in relation to the potential impact of the new strategy on informal networks, politics and key stakeholders (Barodoel and Sohal, 1999).

Previous research has shown that positive involvement of top management acts as support to a new system (Chattopadhyay, 2001). This is largely because senior managers must manage the necessary culture change required (Jackson, 2001). Without a consistent message and senior level champions for the initiative the company might fail to achieve the buy-in of other managers within the organization. Management should ensure that they have the time and resource to properly implement improvement efforts and be realistic about the time and wider impacts of strategy implementation demands placed on their employees. A key person should champion the strategy change and facilitate it. He must have excellent knowledge of the new strategy and have the necessary political support to implement it. Wang and Ahmed (2001) suggest that strong internal motivation and emotional involvement are necessary if implementation is to be successful. Superiors and subordinates must have high levels of trust and confidence in each other, and cooperation and teamwork must exist at all levels .Trust in the manager, based on past behavior, is one important factor in persuading employees to accept the new strategy. Effective implementation of any strategy is more likely to occur if the organizational members are committed to a common vision (Keating and Harrington, 2002).

Planning the implementation is very important in strategy implementation as it aims to clearly identify obstacles to strategy change, as well as the driving forces behind it. This should include activities, which encourage the participation of all concerned parties (e.g. front-line staff and management), usually by means of small teams, in goal setting, and identifying solutions (Lewis et al., 2004). The operational planning process will have a great deal of impact on existing resources if it is to be implemented effectively. The procedures of securing and allocating financial resources for the new strategy must therefore be clear and transparent. They must take into account the necessary resource to influence political and cultural barriers within the company through formal and informal training interventions. When designing training interventions, the learner must see a connection between the learning task and its potential consequences. Finally, a thorough understanding of informal communication is needed to complement formal communications, to generate increased interest and acceptance. Effective communication will invariably present a key requirement of the implementation strategy (Okumus, 2003).

Appropriate training has an important part to play in enhancing individuals' preparedness and abilities to strategy implementation and change (Hansson et al., 2003). Training should bolster efforts at communication by helping individuals to develop their contextual understanding in order to convey what is going on, and why. Courses that explain the concept of the new strategy and how to adopt the new strategy to the work will be needed. Furthermore, training should be employed to enhance the new skills required of people to adopt the new strategy. If the interval between training and practice is too long, people tended to forget what they had learnt. Additional training may therefore be required (Hansson et al., 2003).Training also increases the employee commitment within the management of strategy change process. This is crucial, both regarding consolidating present change, and the likely future success of any ongoing change programmes (Bennet and Durkin, 2000). The potential of benefiting from continuous improvement emphasizes the importance of gaining employee commitment and cooperation (Wilkinson et al., 1994).

Careful monitoring of the implementation process is crucial to ensuring its sustained effectiveness. This should include activities such as obtaining measurable outcomes in order to provide a clear focus for monitoring and following through the process. Essential elements of this should include control and feedback in the form of both formal and informal mechanisms that allow the process of implementation to be monitored, the use of quick feedback such as customer satisfaction, which can encourage employees to continue with the change process. Failure to achieve the espoused objectives should be investigated and addressed (Okumus, 2003).

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 The research design

Census survey was used for this study. This is because the banks were too few to sample and data would have been representative only if it was collected from all the Commercial Banks in Kenya. A survey was also the most applicable in the study as it facilitated comparison of data from the correspondents who form a broad category. This design has been used for similar studies in Kenya (Nyambati, 2001) for Commercial banks in Kenya.

3.2 Population of Interest

According to Central Bank of Kenya (2007), there are 43 commercial banks operating in Kenya. The target population of the study was all the Commercial banks operating in Kenya. The Information technology heads or contacts were targeted to give responses.

3.3 Data collection

This study used primary data and the researcher developed a questionnaire to help in data collection (refer to Appendix B). This is because they were the most convenient as most managers and bank employees are busy persons and it was predicted that they would not have time to give oral interviews. The questionnaire had 4 sections. Section A comprised questions which were demographic in nature. The questions seeked to find out details about the organization and the expected respondents. Section B collected information on the extent of Electronic Banking strategy use, Section C collected information on the challenges faced while implementing Electronic Banking, while Section D concerned mainly on the possible Responses to the challenges faced while implementing Electronic Banking strategy.

The questionnaires were hand delivered to the Commercial banks and self-addressed envelopes enclosed for the convenience of the respondents. For banks that have a functional website the questionnaires were sent with a return email address. The questionnaire sought to collect information about the awareness of the population regarding the challenges commercial banks face in their implementation of electronic banking and the respondents' suggestions of how the banks can respond to these challenges. Two questionnaires were piloted and revisions made where necessary before the instrument was used to collect data for the study.

3.4 Data analysis

Once the questionnaires were administered, numerical codes were assigned to the various close ended responses. However, coding for open ended questions was done after the responses in the filled questionnaires were obtained. The data was then categorized and numerical codes assigned to the various categories. Data collected from section A was analyzed using descriptive statistics such as frequency distribution to give general overall picture about the organization and the expected respondentsSection B data was analyzed by factor analysis and tabulation. Factor analysis is a statistical technique for classifying a large number of interrelated variables into a limited number of factors. The limited number of factors is derived such that the maximum amount of information available in the original variables is retained. The purpose of this analysis was to establish the Extent of Electronic Banking strategy use. Data collected from Section C was analyzed through descriptive statistics of frequency tables to indicate the challenges faced while implementing Electronic Banking strategy. Section D data was analyzed by factor analysis and tabulation. The purpose of this analysis was to establish possible Responses to the challenges faced while implementing Electronic Banking strategy from the respondent's view.A report on the study was then complied based on the responses that are received from the respondents.

CHAPTER 4: DATA ANALYSIS AND INTERPRETATIONS

4.1 Demographic Information

A total of 38 questionnaires were distributed and 21 questionnaires were returned making the response rate 55%. This was considered good since the industry under study is very restrictive on giving out information to the public. The first section of the questionnaire aimed to collect the demographic information of the respondent. It was aimed at collecting the respondent's personal information and that of the company. Most of the respondents chose not to give the name of their organizations probably for security reasons. 85% of the respondents were aged between the ages of 26-35, 5 % were aged between 18-24 while the remaining 10% chose not to indicate their age. Respondents were also asked which the departments they worked for. Electronic banking, Information Technology, Bills, Operations, Personal and Business Banking. global Markets as some of the departments that the respondents worked in. 76% of the respondents worked in the Electronic Banking and Information Technology departments which was the main area on target. 90% of the respondents had worked in their current organization for more that 2 years while the remaining 10% had worked in their current organization for less than two years.

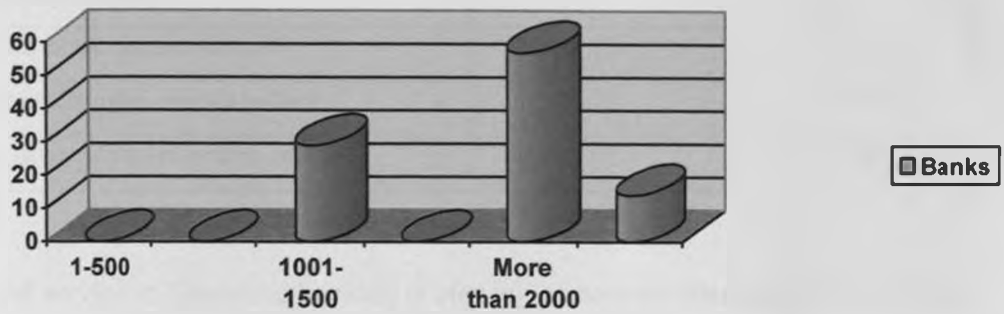
Table1: Period of Organization Existence

Period of Existence	Number of Banks	% Represented
Less than 25 years	2	10%
Over 25 years	19	90%

Table 1 above illustrates the organizations' profile depicting the period it has been in operation. From the table, data presented highlights that 10% of the banks have been in operation for less than 25 years. Those that have been in operation for more than 25 years were represented by 90% of the respondents. 10% of the banks that responded were categorized as corporate meaning that they serve organizations only, while the remaining 90% were both corporate and personal bankers.

The chart shows the number of customers that the respondent's banks serve. It is clear that most of the banks represented by the population serve more that 2000 customers.

Chart : Number of Customers



In wanting to get the extent of Electronic banking in the banking industry, users were asked to state what services their banks offered to the customers they serve. Table 2 shows the responses that were received from the respondents.

Table 2: Extent of Electronic Banking usage

Services provided	**n**	**Percentage**
Viewing of account balances	19	91 %
Ordering checks online	10	48 %
24/7 customer service by phone or email	12	57 %
Online mortgage and CD applications	2	10 %
Direct debits	2	10 %
Viewing of account history	17	81 %
Importing bulk payments to the system	3	14 %
Transfer of funds between accounts	18	86 %
Dealing with other banks	17	81 %

Table 2 continued

Online application for checking and savings accounts	12	57 %
Viewing of loan status and credit card account information	11	52 %
Accounts book reconciliation	5	24 %
Viewing of digital checks online	2	10 %
Issuing stop payment orders online	1	5 %

N=21

The most used service in Electronic banking is viewing of account statements. 91% of the respondent asserted to this. 86% of the respondents said that their customers transferred money to other banks electronically while 81% of the respondents' organizations dealt with other banks and viewed he history of their accounts electronically. Other most used services electronically in banks were seen to be Ordering checks online; 24/7 customer service by phone or email ; Online application for checking and savings accounts and Viewing of loan status and credit card account information. The least used service in the banks was issuance of stop payments orders online with only one respondent having being affirmative on this.

In wanting to know whether banks had set aside specific people to foresee the progress of electronic banking, the respondents were asked if they had a committee in place for the same. 80% of the respondents said that their banks did have an electronic banking committee with some of its tasks given as technical support to their clients, transactional banking, follow up on system operations support, implementation of new system requirements, testing and maintaining of the system. Other duties that the committee were assigned included marketing the electronic banking services through advertisements, setting charges and commissions, creating clients' electronic mobile pins and numbers and ensuring satisfactory running of clients' requests. Some of the respondents were not aware of the activities carried out by the committee. 15% of the respondent said that they did not have an electronic banking committee in place while 5% opted not to answer the question.

4.2 Challenges faced during the implementation of Electronic Banking

The study aimed at getting the respondents view of the challenges that their organizations faced while implementing electronic banking and those that prevented the bank from implementing the strategy if tall the bank opted not to implement it. A question was asking respondents to rate their opinion on the challenges their banks faced while implementing electronic banking was asked and a 5 point scale was used. 5 indicated greatest extent, 4 for Great extent, 3 for Moderate extent, 2 for less extent and 1 for Not at all. Scores were assigned; 1,2,3,4 and 5 representing a score of 1,2,3,4 and 5 respectively. Mean scores were then computed based on the responses from the respondents and standard deviations computed for each challenge. Challenges with a high mean score and a lower standard deviation meant that the challenge had had a greater impact to the banks under study and that it was reliable. Table 3 illustrates the responses that were obtained.

Table 3: Possible challenges faced during the implementation of Electronic Banking

Challenges	Mean Score	Standard deviation
1. Lack of the resources and Infrastructure Required to implement the strategy	4	1.4
2. Inadequate technological skills within the organization	3	1.1
3. The technology required is too expensive for the bank to budget for the cost.	2	2.4
4. Lack of Corporation and commitment from the Senior management	4	0.6
5. Current Organizational structure does not allow changes in the bank processes	2	2
6. Employees have negative attitude towards the use of the Internet banking systems	3	2.1
7. Resistance from the Customers who were being targeted during the implementation	3	1.7
8. Fear of current employees loosing jobs after the strategy has been implemented	2	0.9

Table 3 continued

9. The fear that Internet Banking system is not very secure	4	0.8
10. The organization is hesitant to recruit specialized staff for the support of the electronic payment system	3	1.3
11. The Internet stability in Kenya is unpredictable which might affect the electronic banking use.	2	1.3
12. Government legislation is too strict on the electronic banking system.	2	0.8
13. The organization is worried of the compensation that would be demanded incase of fraud arising from electronic banking	3	2.1

The greatest challenges according to the mean score were lack of the resources and infrastructure required to implement the strategy, lack of corporation and commitment from the senior management, the fear that internet banking system is not very secure, each with a mean score of 4. Resistance from the customers who were being targeted during the implementation, inadequate technological skills within the organization and employees have negative attitude towards the use of the internet banking systems were also greatly felt challenges with a mean score of 3.

The least felt challenges were the government legislation being too strict on the electronic banking system. the internet stability in Kenya being unpredictable which might affect the electronic banking use, fear of current employees loosing jobs after the strategy has been implemented, current organizational structure not allowing changes in the bank processes and the technology required being too expensive for the bank to budget for the cost each with a mean score of 2.

4.3 Responses to Electronic Banking Implementation Challenges

The second objective of the study was to determine how banks are responding to the challenges in electronic banking. In order to get analyze this, the respondents were asked if a review of electronic banking is included in the annual management general meetings for which 80% of the respondents said it was included. 15% said it was not included and the remaining 5% chose not to answer the question. For the respondents whose electronic banking was included in the general meetings, 60% of them said that there had been exceptions during the last meeting held in the organization for which 74% reported that the exceptions had already been addressed.

Users were also asked to rate their bank's uses of suggested strategies to respond to the challenges faced while implementing Electronic Banking and a 5 point scale was used. 5 indicated greatest extent, 4 for Great extent, 3 for Moderate extent, 2 for less extent and 1 for Not at all. Scores were assigned with 1,2,3,4 and 5 representing a score of 1,2,3,4 and 5 respectively. Mean scores were then computed based on the responses from the respondents and standard deviations computed for each response. Responses with a high mean score meant that the challenge had had a greater impact to the banks under study and those with low standard deviations meant that the responses were more reliable. Table 4 illustrates the responses that were obtained from the respondents.

Table 4: Responses to Electronic Banking Implementation Challenges

Responses	Mean	Standard Deviation
Training of Bank employees on the use of electronic banking	4	1.1
Sensitization of Customers on the benefits of electronic Banking	3	2.1
Involvement of Senior management in the implementation program	4	0.4
A budget allocated for Electronic Banking	4	1.2
Government involvement on the Implementation process	3	2.4
Specialized team for support of electronic banking to assist customers in their transactions	3	1.4
Entering into contract with a reliable stable Internet service Provider	2	0.6

Table 4 Continued

Collaborating with other banks in the implementation of the strategy	2	1.6
Outsourcing the project to a specialized supplier	4	1.2
Reducing the electronic payments transactions charges (lower than manual transfers)	4	0.6
Stopping the implementation of the strategy	1	5.2

From the table, the most popular responses among banks were training of bank employees on the use of electronic banking, reducing the electronic payments transactions charges (lower charges than manual transfers) and sourcing for specialized team for support of electronic banking to assist customers in their transactions each with a mean score of 4. Outsourcing the project to a specialized supplier, a budget allocation for electronic banking, involvement of senior management in the implementation program and sensitization of customers on the benefits of electronic banking each with a mean score of 4 were also used greatly by the banks.

The least popular response strategies among banks were found out to be stopping the implementation of the strategy with a mean score of 1, collaborating with other banks in the implementation of the strategy and entering into contract with a reliable stable internet service provider which had a mean score of 2 each.

CHAPTER 5: CONCLUSION

5.1 Summary, Discussions and Conclusions

The two objectives of the study were met after conducting the study. The first objective was to establish the challenges faced by commercial banks in Kenya in implementing electronic banking. Commercial banks in Kenya have in the past taken up the electronic baking strategy which is a substitute to the manual processes they have in place. However, in implementing the strategy, the results indicate that several challenges exist in implementing the strategy. Lack of resources and the infrastructure required to implement the strategy is one of the major challenges identified. These resources would include the capital required interms of money, technological equipments and other resources that may be needed. Much of this technology is not present in Kenya today thus hindering the smooth implementation of the strategy. This does not translate only to high costs to the banks but also long turn around times during the implementation.

This study agreed to Thornton and White (2001) conclusions that changes in the use of bank delivery channels would occur as the population matures as knowledge; confidence and computer usage increases. Lack of technical knowledge by the targeted customers may lead to a break down of the equipment due to wrong operations thus adding up to the maintenance cost. Electronic banking involves additional systems that in some cases are incompatible with the systems in place. This means that the two have to be configured to work together which might need a lot of capital. In other cases totally new systems need to be acquired for compatibility. Lack of Corporation and commitment from the senior management has also been a major challenge. In many organizations major projects need the approval of the senior management which is mostly done during the board meetings. This then means that if the management is not comfortable with the strategy, it will be very hard if not impossible for implementation team to see success.

Consistent with Trappey and Trappey's (2001) findings. Kenyan consumers tend to have low confidence towards electronic banking and the internet Many people in Kenya resist any form of bank transaction that does not concern manual signing due to fear of fraud.

This means that the security of Electronic Banking is of major concern in the country. This is not only from the bank customers but also from employees in the banking sector who do not want to risk their jobs from fraudulent activities. The banks are also worried of the compensation that would be demanded incase of fraud arising from electronic banking. Negative attitude from the bank employees who are supposed to spearhead the project is also a major challenge to implementing the strategy. This might be due to fear of loosing jobs after the automation of the major functions or the feeling that technology is too hard to cope with. Some are also not willing to train on any new development.

The government has enacted extended laws for electronic transfers. Some of them include the banks and its customers having to sign more payment agreements, providing supporting documents for online trade transactions and providing more details on payments above a certain set limit. The customers might feel that these are stringent laws they are not willing to adhere to especially if the same services can be offered manually. Electronic banking is concerned purely with the internet since it is web based. The internet services in Kenya today have not been fully stable thus being a major challenge to the smooth working of the system. Customers are usually very agitated if they try to bank electronically without success and they tend to pull away of the strategy preferring their old manual workings.

The second objective was to determine how commercial banks in Kenya are responding to the challenges of implementing electronic banking. In order to succeed Electronic Banking strategy implementation, banks facing the challenges identified in the study have come up with different responses. The results from the study, agree with (Hansson et al., 2003) conclusions from previous study that the most popular response is training of the bank employees on the use of electronic banking especially for non committed employees. Employees are being sensitized on what to expect from the strategy, why the strategy is being adopted (the benefits), the challenges the team is likely to face, the likely impact of the system and what is expected of the employees during and after the implementation. This then ensures that the employees are prepared for the reception of the system and are fully aware of what the system is about. They also feel part of the team implementing the strategy thus being committed to see the success of the system.

The target customers also need sensitization of the planned strategy. Banks in Kenya like CitiBank has continuously been training their customers on the use of their electronic banking system and even holding demonstration sessions for the customers. This ensures that the customers fully are aware of the services that are being offered, how to use the system and the benefits of using the online system. The customer appreciates the strategy even before they take up the services. This also ensures that the customer has all the information they require to run the services. This makes them comfortable and in the longrun are hooked up to electronic banking.

In consistence with (Chattopadhyay, 2001), the study shown that the senior management has to be involved in the implementation of the electronic banking strategy since they are mostly concerned with the approval process of any project and more especially when there is need for funds. If they feel they do not have the information they need, they will be hesitant to approve of the strategy implementation. Once they are involved from the conceptualization to the implementation phase and they are fully aware of the benefits the strategy is to bring to the organization, then they will be so willing to fund the project and even give more ideas on how to cope with the challenges faced. The banks' management today have also appreciated the fact that Electronic banking is a full departments on its own and have now been allocating a budget for its maintenance. This then has enabled the improvement of any service on offer especially based on customer feedback.

Banks are continuously hiring a specialized team for support of electronic banking to assist customers in their transactions. This also includes a fully skilled team to train the customers on the system. One way that banks have done this is by outsourcing the project to a specialized supplier who will intern offer a team to the bank to offer the services to the bank's clients. The supplier is then paid a monthly fee from which the team is then paid. This also makes the team only concentrate on electronic banking since that is what they have been hired for and their pay and stay at the bank depends on their delivery.

Some banks have also offered to enter into service delivery contracts which outline what service levels are expected of the outsourced company and what is also expected of the bank. This agreement is then reviewed after a stipulated time and a decision made whether to continue with the contract or to terminate it. This is also the case with Internet service providers. Banks just like other businesses in Kenya are sourcing for reputable reliable internet service providers for the provision of stable internet services much needed for electronic banking to take place.

Banks' reduction of the electronic payments transactions charges inorder to attract customers to using the system is also another popular response. Once a customer is told that there is a cheaper and faster way of transferring money that the manual ways, then they would choose the cheaper method in order to save on costs and to cut down on the time required to transfer money. The banks are also offering free bank statements online. All the client needs to do is log in to the system and download the statement. Considering that banks in Kenya charge for the statements, then it would only be logical for the customer to subscribe to the online system and get statements for free. Some of the least popular response strategies that banks have employed include stopping the implementation of the strategy completely, collaborating with other banks in the implementation of the strategy and entering into contract with a reliable stable Internet service Provider.

As the brand new banking distribution channels to Kenyan consumers, electronic banking is still at early stages in Kenya. The current target market for electronic banking is relatively small due to its low level of awareness nevertheless, this should not be underestimated. There were many critical issues, which stood out as being obstacles to the implementation of electronic banking among these were Lack of the resources and Infrastructure required to implement the strategy; Lack of Corporation and commitment from the senior management; fear that Internet Banking system is not very secure; Inadequate technological skills within the organization and Resistance from the Customers who were being targeted during the implementation. Other barriers to electronic banking implementation were Government legislation being too strict on the electronic banking system. The Internet stability in Kenya being unpredictable which might affect the electronic banking use, Fear of current employees loosing jobs after the strategy has been implemented, Current Organizational structure not allowing changes in the bank processes and The technology required being too expensive for the bank to budget for the cost.

As for the responses that banks use , the most popular were Training of Bank employees on the use of electronic banking; Reducing the electronic payments transactions charges; sourcing for Specialized team for support of electronic banking to assist customers in their transactions; Outsourcing the project to a specialized supplier; A budget allocated for Electronic Banking; Involvement of Senior management in the implementation program and Sensitization of Customers on the benefits of electronic Banking. Others included Stopping the implementation of the strategy; Collaborating with other banks in the implementation of the strategy and entering into contract with a reliable stable Internet service Provider.

5.2 Limitations of the study

Celtel and Safaricom have embraced electronic banking in light of Soko tele and Mpesa respectively. These non banking institutions face challenges whose jurisdiction was not the interest of this research hence the limitation of this study to only financial institution yet other non banks also face far reaching challenges in electronic banking.

5.3 Suggestion for further study

Electronic banking having been adopted by non-banking institutions, a study can be conducted on the challenges that the institutions have been facing, the responses they are employing and the impact the services have in the Kenyan economy. This then will be a broader look at the wider financial and non-financial group of companies.

5.4 Implications for Policy and Practice

This study has shown that there exist different challenges in implementing electronic banking. Kenya Commercial banks should therefore be aware of what to expect during the implementation and maintenance of electronic banking. Banks also need to know the responses that work best to solve these challenges to ensure that the strategy implementation does not stall and that it works to reap the maximum benefits. All stakeholders should be involved in the implementation and this would include the customers. Both the internal and the external environment should also be considered during the implementation.

REFERENCES

Acharya, R. N., and A. Kagan (2004). "Community Banks and Internet Commerce" **Journal of Internet Commerce** Vol. 3 No.1, pp 23-30.

Alexander, L.D. (1985). "Successfully Implementing Strategic Decisions", **Long Range Planning,** Vol. 18 No.3, pp.91-7.

Al-Ghamdi, S.M. (1998). "Obstacles to Successful Implementation of Strategic decisions: The British experience", **European Business Review**, Vol. 98, pp 6-11.

Amor,D.(2000). **Living and Working In an Interconnected World**. The e-business® Evolution, Upper Saddle River: NewYork. Prentice Hall

Andrew.K (1971). **The Concept of Corporate Strategy** . Trywin: USA :HomeWood

Awino, Z.B (2000). "Effectiveness and Problems of Strategic Implementation of Financing Higher Education in Kenya by the Higher Education Loans Board", **Unpublished MBA Project of the University of Nairobi.**

Baldock, R. (1997). "The Virtual Bank: Four Marketing Scenarios for the Future", **Journal of Financial Services Marketing,** Vol. 1 No. 3, pp.260-268.

Barodoel, E.A and Sohal, A. (1999). "The Role of Cultural Audit in Implementing Quality Improvement Programs", **International Journal of Quality & Reliability Management,** Vol. 16, pp. 167-172.

Bennet, H and Durkin, M. (2000). "The Effects of Organizational Change on Employee Psychological Attachment", **Journal of Managerial Psychology,** Vol. 15, pp 235-7.

Bryson, J and Bromiley, P. (1993), "Critical Factors Affecting The Planning and Implementation of Major Projects", **Strategic Management Journal,** Vol. 14 No.2, pp.319-37.

Burnham, H., (1996). "Expansion Management Review", **Fourth International Journal**. Vol.2 , pp. 69-70.

Castells, M.(1996,2000). **The Rise of the Network Society**. Oxford : BNlackwell.

Chandler, A., (1962).**Strategy and Structure: Chapters in the History of American Industrial enterprise.** Cambridge: Massachusetts, M.I.T, Press.

Chang,K.S and Hyung, S.L.(2000). "Analysis of Electronic Commerce Adoption from a Technological Innovation Perspective," **Journal of Electronic Commerce** Vol.35 pp 88-96.

Chattopadhyay, S.P. (2001). "Improving the Speed of ISO 1400 Implementation: A Framework for Increasing Productivity", **Managerial Auditing Journal,** Vol. 16, pp 178-9.

Chircu, G., and Kauffman, L., (2000), "Bank One's Woes May Clip Wingspan," **Computerworld** Vol.33, pp.24-9.

Chong,Y.L.(1999). "Model of Factors Influences of Electronic Commerce Adoption and Diffusion in Small and Medium Enterprises", **Journal of E-commerce**. Vol. 32,pp 54-68.

Clarke,R.(2001). "If Electronic Business Is Different Then Research In Electronic Business is Too", **In Proceedings Of IFIP TC8 Working Conference On Ecommerce/ Ebusiness**. Salzburg, Vol. 6, pp 22-23.

Commercial Bank of Kenya, 2005 . **Banking Supervision Annual Report 2005.**

Creelman, J. (1998). **Building and Implementing a Balanced Score-card, International Best Practice in Strategy Implementation**, London, Business Intelligence Unit.

Elizabeth D (1999). "Provision of Electronic Banking in the UK and the Republic of Ireland". **International Journal of Bank Marketing** Vol. 17, No. 2 pp 36-9.

Freedman, M. (2003). "The Genius is in the Implementation", **Journal of Business Strategy**, Vol. 24 pp 4-7.

Godfrey, G., Dale, B., Marchington, M and Wilkinson, A. (1997). "Control: A Contested Concept in TQM Research", **International Journal of Operations and Production Management**, Vol. 17, pp164-9.

Grundy, T. (1998). "Strategy Implementation and Project Management", **International Journal of Project Management**, Vol. 16 No.1, pp.43-50.

Hamel,G. (2000). **Leading the Revolution**, Boston: MA, Harvard Business School Press.

Hansson, J., Backlund, F and Lycke, L. (2003). "Managing Commitment: Increasing the odds for Successful Implementation of TQM, TPM or RCM", **International Journal of Quality & Reliability Management,** Vol. 20, pp 56-62.

Heiskanen, Eva; Jalas, Mikko and Kärnä, Anna. (2002). "The Dematerialization Potential of Services and IT: Futures Studies Methods Perspectives". **International Journal of Consumer Studies;** Vol. 29 No. 6 pp 539-540.

Hrebiniak, L. (1992). "Implementing Global Strategies", **European Management Journal,** Vol. 10 No.4, pp.392-5.

Lewis, P., Saunders, M and Thornhill, A. (2004). "Developing an Explanatory theory of Reward System Change", **Personnel Review**, Vol. 33, pp 91-8.

Mbuvi,M. (2000). "A Survey of the Potentials for the Adoption of Electronic Commerce by Tour Operators In Nairobi", **Unpublished MBA Project of the University of Nairobi.**

Meldrum, M and Atkinson, S. (1998). "Meta-Abilities And The Implementation Of Strategy: Knowing What to Do is Simply Not Enough", **Journal of Management Development,** Vol. 17 pp.8-11.

Michael Porter, (1996). **What is Strategy**? New York. Free Press.

Miniace, J.N and Falter, E. (1996). "Communication: A Key Factor in Strategy Implementation". **Planning Review**. Vol. 24 pp.26-30.

Mugunda. N. (2001). "An Investigation of the Business Value of Electronic Commerce: The Case Of Selected Firms In Kenya", **Unpublished MBA Project of the University of Nairobi.**

Musembi, M.M (2001). "An Investigation Into The Factors That Have Influenced The Adoption Of Electronic Commerce In The Retailing Industry", **Unpublished MBA Project of the University of Nairobi.**

Nyambane,T.O (1996). "An Evaluation Of The Extent Of And Factors Limiting Information Technology Usage In Publicly Quoted Companies In Kenya", **Unpublished MBA Project of the University of Nairobi.**

Nyambati, R (2001). "Information Technology Planning Practices In Kenyan Banks", **Unpublished MBA Project of the University of Nairobi.**

Nyambura,M.N.(2000). "A Survey Of Challenges Facing Internet Growth In Kenya", **Unpublished MBA Project of the University of Nairobi.**

Ochieng J.B (1998)."Analysis of Factors Considered Important in the Successful Implementation Of Information Systems: A Case Study Of Commercial Banks In Kenya", **Unpublished MBA Project of the University of Nairobi.**

Odilon,D.Jr.,(1999). "Evaluation of Feasibility of IT Projects by Publicly Quoted companies in Kenya", **Unpublished MBA Project of the University of Nairobi.**

Okumus, F. (2001). "Towards A Strategy Implementation Framework", **International Journal of Contemporary Hospitality Management**, Vol. 13 No.7, pp 327-38.

Okumus, F. (2003). "A Framework To Implement Strategies In Organizations", **Management Decision**, Vol. 41, pp 62-7.

Pechlaner, H. and Sauerwein,E. (2002). "Strategy Implementation In The Alpine Tourism Industry", **International Journal of Contemporary Hospitality management,** Vol.14, No.4 pp 36-9.

Peter G.W. Keen, Walid Mougayar, and Tracy Torregrossa, (1998). **The Business Internet and Intranets: A Managers Guide To Key Terms And Concepts,** Boston: MA, Harvard Business School Press

PriceWaterHouse Coopers,(1999). "Small And Medium Enterprises Electronic Commerce Study (TLE05/97T)" **Asia Pacific Economic Cooporation (APEC) Telecommunications Working Group**", Vol. 3, pp 37-8.

Roth, K., Schweiger, M and Morrison, J. (1991). "Global Strategy Implementation At Unit Level: Operational Capabilities and Administrative Mechanisms", **Journal of International Business Studies**, Vol. 22 No.3, pp.369-402.

Section B: Extent of Electronic Banking Strategy Adoption

1. Which of the services listed below do your customers have access to?

Viewing of account balances ( )	Transfer of funds between accounts ( )
Ordering checks online ( )	Dealing with other banks ( )
24/7 customer service by phone or email ( )	Online application for checking and savings accounts ( )
Online mortgage and CD applications ( )	Viewing of loan status and credit card account information ( )
Direct debits ( )	Accounts book reconciliation ( )
Viewing of account history ( )	Viewing of digital checks online ( )
Importing bulk payments to the system ( )	Issuing stop payment orders online ( )

Others (Specify) ....

....

....

2. Does the bank have an Electronic Banking Committee (or something similar)?

   ☐ Yes ☐ No

3. If yes, list the members' responsibilities.

....

....

....

....

Sang C.K (2001). "A Computer Risk Analysis Of Firms Quoted In The Nairobi Stock Exchange", **Unpublished MBA Project of the University of Nairobi.**

Schendel,D.E and Hofer C.W (Eds) (1979). **Strategic Management: A New View Of Business Policy And Planning,** Boston: MA, Little Brown and Co.

Skivington, E.J and Daft, L.R. (1991). "A Study Of Organizational Framework And Process Modalities For The Implementation Of Business Level Strategic Decisions", **Journal of Management Studies**, Vol. 28 No.1, pp.45-68.

Sterlin,J. (2003). "Translating Strategy Into Effective Implementation; Dispelling The Myths And Highlighting What Works", **Strategy and Leadership**, Vol. 31 No 3, MCB University Press Limited.

Tan,M., and Teo, T.S.H (2000). "Factors Influencing the Adoption Of Electronic Banking", **Journal of the Association of Information Sysyems**, Vol.1 No. 5, pp-42-7.

Trappey, C.V and Trappey, A.J.C. (2001). "Electronic Commerce In Greater China", **Industrial Management and Data Systems,** Vol. 101 No.5, pp.201-20.

Thornton, J and White, L. (2001). "Customer Orientations And Usage Of Financial Distribution Channels", **Journal of Services Marketing**, Vol. 15 No.3, pp.168-85.

Turban,E. Mclean,E., and Wetherbe,J,(2002). "Information Technology For Management: Transforming Business In The Digital Economy". John Wiley and Sons, Vol 2, pp 24-31.

Wang, C.L and Ahmed, P.K. (2001). "Energizing The Organization: A New Agenda For Business Excellence", **Measuring Business Excellence**, Vol. 5, pp 75 – 85.

Waterman, R.H., Peters, T.J and Phillips, J.R. (1980). "Structure is Not Organization", **Business Horizons**, Vol. 23 No.3, pp 125-9.

APPENDICES

Appendix A: Letter To The Respondents

University of Nairobi

School of Business

P.O Box 30197 Nairobi

Telephone: +254-2-318262

Dear Sir/Madam,

RE: A SURVEY OF CHALLENGES IN IMPLEMENTING ELECTRONIC BANKING STRATEGY BY COMMERCIAL BANKS IN KENYA

I am a Postgraduate student undertaking a Master of Business Administration (MBA) degree at the University if Nairobi. I am currently carrying out research on the Challenges in implementing electronic Banking strategy by Commercial banks in Kenya as part of my degree programme.

Your organization has been chosen to be used for this research. I would therefore like to request for your assistance in completing the questionnaire attached to enable me complete the research. The information you provide will be treated with strict confidence and will only be used for academic purposes (research).

Your cooperation in completing the questionnaire will be highly appreciated.

Yours faithfully,

Jane Njuru

MBA Student.

Dr. Martin Ogutu

Supervisor

University of Nairobi

Appendix B: Sample Questionnaire

CHALLENGES IN IMPLEMENTING ELECTRONIC BANKING STRATEGY BY COMMERCIAL BANKS IN KENYA

Research conducted with the authorization of the University of Nairobi, Faculty of Commerce, and School of Business.

(Please tick responses as appropriate. where necessary tick as many items as you find relevant.)

Section A: Demographic information

1. Name of your Organization
2. Age(Optional): ☐ 18 – 25 ☐ 26– 35 ☐ 36 – 45

   ☐ 46 – 50 ☐ 51 and above
3. What department do you work ....
4. Your title or Position you hold...
5. How many years have you worked for the firm? ....

Company Profile

1. How many years has the bank operated? ....
2. Does your bank serve both Corporate and personal account holders or only one group

   ☐ Corporate ☐ Personal ☐ Both
3. Approximately how many customers hold accounts with you?

   ☐ 1-500 ☐ 501 - 1000 ☐ 1001 – 1500

   ☐ 1501 - 2000 ☐ More than 2000

Hrebiniak, L and Joyce, W. (1984). **Implementing Strategy**. New York: NY, **Macmillan Publishers.**

Jackson, S. (2001). "Successfully Implementing Total Quality Management tools within Healthcare: What are the Key actions?" ,**International Journal of Health Care Quality Assurance**, Vol. 14, pp 21-8.

Kalakota,R. and Whinston, A.(1997).**Electronic Commerce: A Managers Guide**; Addison Wesley, Longman.

Kaplan, R.S., Norton and D.P. (1993), "Putting the Balanced Scorecard to work", **Harvard Business Review**, Vol. 71 pp 134-42.

Kaplan, R.S and Norton, D.P. (1996).**The Balanced Score-card – Translating Strategy Into Action**; Boston: MA, Harvard Business School Press.

Kaplan, R.S and Norton, D.P. (2001). **The Strategy-Focused Organization: How Balanced Score-card Companies Thrive in the New Business Environment**, Boston: MA, Harvard Business School Press.

Kaplan, R.S and Norton, D.P. (2004). **Strategy Maps: Converting Intangible Assets in Tangible Outcomes**, Boston: MA, Harvard Business School Press.

Keating, K and Harrington, D. (2002). "The Challenges of Implementing Quality in the Irish Hotel Industry: A review", **Managing Service Quality**, Vol. 12, pp 45-7.

Koske, F.K (2003). " Strategic Implementation and its Challenges: The case of Telkom Kenya Limited", **Unpublished MBA Project of the University of Nairobi.**

Hrebiniak, L and Joyce, W. (1984). **Implementing Strategy**. New York: NY, **Macmillan Publishers.**

Jackson, S. (2001). "Successfully Implementing Total Quality Management tools within Healthcare: What are the Key actions?" .**International Journal of Health Care Quality Assurance**, Vol. 14, pp 21-8.

Kalakota,R. and Whinston, A.(1997).**Electronic Commerce: A Managers Guide**; Addison Wesley, Longman.

Kaplan, R.S., Norton and D.P. (1993), "Putting the Balanced Scorecard to work", **Harvard Business Review**, Vol. 71 pp 134-42.

Kaplan, R.S and Norton, D.P. (1996).**The Balanced Score-card – Translating Strategy Into Action**; Boston: MA, Harvard Business School Press.

Kaplan. R.S and Norton, D.P. (2001). **The Strategy-Focused Organization: How Balanced Score-card Companies Thrive in the New Business Environment**. Boston: MA, Harvard Business School Press.

Kaplan, R.S and Norton, D.P. (2004). **Strategy Maps: Converting Intangible Assets in Tangible Outcomes**. Boston: MA, Harvard Business School Press.

Keating. K and Harrington, D. (2002). "The Challenges of Implementing Quality in the Irish Hotel Industry: A review", **Managing Service Quality**, Vol. 12, pp 45-7.

Koske, F.K (2003). " Strategic Implementation and its Challenges: The case of Telkom Kenya Limited". **Unpublished MBA Project of the University of Nairobi.**

Lewis, P., Saunders, M and Thornhill, A. (2004). "Developing an Explanatory theory of Reward System Change", **Personnel Review**, Vol. 33, pp 91-8.

Mbuvi,M. (2000). "A Survey of the Potentials for the Adoption of Electronic Commerce by Tour Operators In Nairobi", **Unpublished MBA Project of the University of Nairobi.**

Meldrum, M and Atkinson, S. (1998). "Meta-Abilities And The Implementation Of Strategy: Knowing What to Do is Simply Not Enough", **Journal of Management Development,** Vol. 17 pp.8-11.

Michael Porter, (1996). **What is Strategy**? New York, Free Press.

Miniace, J.N and Falter, E. (1996). "Communication: A Key Factor in Strategy Implementation", **Planning Review**, Vol. 24 pp.26-30.

Mugunda. N. (2001). "An Investigation of the Business Value of Electronic Commerce: The Case Of Selected Firms In Kenya", **Unpublished MBA Project of the University of Nairobi.**

Musembi, M.M (2001). "An Investigation Into The Factors That Have Influenced The Adoption Of Electronic Commerce In The Retailing Industry", **Unpublished MBA Project of the University of Nairobi.**

Nyambane.T.O (1996). "An Evaluation Of The Extent Of And Factors Limiting Information Technology Usage In Publicly Quoted Companies In Kenya", **Unpublished MBA Project of the University of Nairobi.**

Nyambati, R (2001). "Information Technology Planning Practices In Kenyan Banks", **Unpublished MBA Project of the University of Nairobi.**

Nyambura,M.N.(2000). “A Survey Of Challenges Facing Internet Growth In Kenya”, **Unpublished MBA Project of the University of Nairobi.**

Ochieng J.B (1998).”Analysis of Factors Considered Important in the Successful Implementation Of Information Systems: A Case Study Of Commercial Banks In Kenya”, **Unpublished MBA Project of the University of Nairobi.**

Odilon.D.Jr.,(1999). “Evaluation of Feasibility of IT Projects by Publicly Quoted companies in Kenya”, **Unpublished MBA Project of the University of Nairobi.**

Okumus, F. (2001). "Towards A Strategy Implementation Framework", **International Journal of Contemporary Hospitality Management**, Vol. 13 No.7, pp 327-38.

Okumus, F. (2003). "A Framework To Implement Strategies In Organizations", **Management Decision**, Vol. 41, pp 62-7.

Pechlaner, H. and Sauerwein,E. (2002). “Strategy Implementation In The Alpine Tourism Industry”, **International Journal of Contemporary Hospitality management**, Vol.14, No.4 pp 36-9.

Peter G.W. Keen, Walid Mougayar, and Tracy Torregrossa, (1998). **The Business Internet and Intranets: A Managers Guide To Key Terms And Concepts**, Boston: MA, Harvard Business School Press

PriceWaterHouse Coopers,(1999). “Small And Medium Enterprises Electronic Commerce Study (TLE05/97T)” **Asia Pacific Economic Cooperation (APEC) Telecommunications Working Group**”, Vol. 3, pp 37-8.

Roth. K., Schweiger, M and Morrison, J. (1991). "Global Strategy Implementation At Unit Level: Operational Capabilities and Administrative Mechanisms", **Journal of International Business Studies**, Vol. 22 No.3, pp.369-402.

Sang C.K (2001). "A Computer Risk Analysis Of Firms Quoted In The Nairobi Stock Exchange", **Unpublished MBA Project of the University of Nairobi.**

Schendel,D.E and Hofer C.W (Eds) (1979). **Strategic Management: A New View Of Business Policy And Planning,** Boston: MA, Little Brown and Co.

Skivington, E.J and Daft, L.R. (1991). "A Study Of Organizational Framework And Process Modalities For The Implementation Of Business Level Strategic Decisions", **Journal of Management Studies**. Vol. 28 No.1, pp.45-68.

Sterlin,J. (2003). "Translating Strategy Into Effective Implementation; Dispelling The Myths And Highlighting What Works", **Strategy and Leadership**. Vol. 31 No 3, MCB University Press Limited.

Tan,M., and Teo, T.S.H (2000). "Factors Influencing the Adoption Of Electronic Banking", **Journal of the Association of Information Sysyems**. Vol.1 No. 5, pp-42-7.

Trappey, C.V and Trappey, A.J.C. (2001). "Electronic Commerce In Greater China", **Industrial Management and Data Systems,** Vol. 101 No.5, pp.201-20.

Thornton, J and White, L. (2001). "Customer Orientations And Usage Of Financial Distribution Channels", **Journal of Services Marketing**. Vol. 15 No.3, pp.168-85.

Turban.E. Mclean.E., and Wetherbe,J,(2002). "Information Technology For Management: Transforming Business In The Digital Economy". John Wiley and Sons, Vol 2, pp 24-31.

Wang, C.L and Ahmed. P.K. (2001). "Energizing The Organization: A New Agenda For Business Excellence", **Measuring Business Excellence**. Vol. 5. pp 75 – 85.

Waterman, R.H., Peters, T.J and Phillips, J.R. (1980). "Structure is Not Organization", **Business Horizons**, Vol. 23 No.3, pp 125-9.

APPENDICES

Appendix A: Letter To The Respondents

University of Nairobi
School of Business
P.O Box 30197 Nairobi
Telephone: +254-2-318262

Dear Sir/Madam,

RE: A SURVEY OF CHALLENGES IN IMPLEMENTING ELECTRONIC BANKING STRATEGY BY COMMERCIAL BANKS IN KENYA

I am a Postgraduate student undertaking a Master of Business Administration (MBA) degree at the University if Nairobi. I am currently carrying out research on the Challenges in implementing electronic Banking strategy by Commercial banks in Kenya as part of my degree programme.

Your organization has been chosen to be used for this research. I would therefore like to request for your assistance in completing the questionnaire attached to enable me complete the research. The information you provide will be treated with strict confidence and will only be used for academic purposes (research).

Your cooperation in completing the questionnaire will be highly appreciated.

Yours faithfully,
Jane Njuru
MBA Student.

Dr. Martin Ogutu
Supervisor
University of Nairobi

Appendix B: Sample Questionnaire

CHALLENGES IN IMPLEMENTING ELECTRONIC BANKING STRATEGY BY COMMERCIAL BANKS IN KENYA

Research conducted with the authorization of the University of Nairobi, Faculty of Commerce, and School of Business.

(Please tick responses as appropriate. where necessary tick as many items as you find relevant.)

Section A: Demographic information

1. Name of your Organization
2. Age(Optional): ☐ 18 – 25 ☐ 26– 35 ☐ 36 – 45

   ☐ 46 – 50 ☐ 51 and above
3. What department do you work ....
4. Your title or Position you hold...
5. How many years have you worked for the firm? ....

Company Profile

1. How many years has the bank operated? ....
2. Does your bank serve both Corporate and personal account holders or only one group

   ☐ Corporate ☐ Personal ☐ Both
3. Approximately how many customers hold accounts with you?

   ☐ 1-500 ☐ 501 - 1000 ☐ 1001 – 1500

   ☐ 1501 - 2000 ☐ More than 2000

Section B: Extent of Electronic Banking Strategy Adoption

1. Which of the services listed below do your customers have access to?

Viewing of account balances ( )	Transfer of funds between accounts ( )
Ordering checks online ( )	Dealing with other banks ( )
24/7 customer service by phone or email ( )	Online application for checking and savings accounts ( )
Online mortgage and CD applications ( )	Viewing of loan status and credit card account information ( )
Direct debits ( )	Accounts book reconciliation ( )
Viewing of account history ( )	Viewing of digital checks online ( )
Importing bulk payments to the system ( )	Issuing stop payment orders online ( )

Others (Specify) ....

....

....

2. Does the bank have an Electronic Banking Committee (or something similar)?
   ☐ Yes ☐ No
3. If yes, list the members' responsibilities.

....

....

....

....

Section C: Challenges Faced while implementing Electronic Banking

1. Please rate your opinion on the challenges that your bank faced during the implementation of electronic banking or those which made the bank stop the Implementation process.

   5-Greatest extent; 4-Great extent; 3-Moderate extent; 2-Less extent; 1-Not at all

Possible challenges faced during the implementation of Electronic Banking	**1**	**2**	**3**	**4**	**5**
1. Lack of the resources and Infrastructure Required to implement the strategy					
2. Inadequate technological skills within the organization					
3. The technology required is too expensive for the bank to budget for the cost.					
4. Lack of Corporation and commitment from the Senior management					
5. Current Organizational structure does not allow changes in the bank processes					
6. Employees have negative attitude towards the use of the Internet banking systems					
7. Resistance from the Customers who were being targeted during the implementation					
8. Fear of current employees loosing jobs after the strategy has been implemented					
9. The fear that Internet Banking system is not very secure					
10. The organization is hesitant to recruit specialized staff for the support of the electronic payment system					
11. The Internet stability in Kenya is unpredictable which might affect the electronic banking use.					
12. Government legislation is too strict on the electronic banking system.					
13. The organization is worried of the compensation that would be demanded incase of fraud arising from electronic banking					

2. Please specify any other challenges faced in the adoption of electronic banking strategy

....

....

....

....

....

....

3. Is the Banks' management fully informed of the risks involved with electronic banking and do they understand those risks? (Strategic, reputation, transaction, compliance)

☐ Yes ☐ No

Section D: Responses to the Challenges Faced while implementing Electronic Banking

1. Is a review of electronic banking included in the annual management general meetings? ☐ Yes ☐ No
2. Were any exceptions found in the last meeting? ☐ Yes ☐ No
3. Have they been addressed? ☐ Yes ☐ No
4. Please rate your bank's use of the following strategies to respond to the challenges faced while implementing Electronic Banking?

   5-Greatest extent; 4-Great extent; 3-Moderate extent; 2-Less extent; 1-Not at all

Responses to Electronic Banking Implementation Challenges	1	2	3	4	5
1. Training of Bank employees on the use of electronic banking					
2. Sensitization of Customers on the benefits of electronic Banking					
3. Involvement of Senior management in the implementation program					
4. A budget allocated for Electronic Banking					
5. Government involvement on the Implementation process					
6. Specialized team for support of electronic banking to assist customers in their transactions					
Entering into contract with a reliable stable Internet service Provider					
Collaborating with other banks in the implementation of the strategy					
Outsourcing the project to a specialized supplier					
Reducing the electronic payments transactions charges (lower than manual transfers)					
Stopping the implementation of the strategy					

5. Kindly give any other responses that the bank can use to fight the challenges of implementing Electronic Banking strategy.

....

....

....

....

....

THANK YOU FOR YOUR CORPORATION.

Appendix C: List Of Commercial Banks In Kenya

1. African banking corporation ltd
2. Bank of Africa Kenya ltd
3. Bank of Baroda (k) ltd
4. Bank of India
5. Barclays bank of Kenya ltd
6. Co-operative bank of Kenya ltd
7. Central bank of Kenya
8. CFC Bank ltd
9. Chase Bank (k) ltd
10. Charterhouse Bank ltd
11. Citibank N.A Kenya
12. City finance Bank ltd
13. Commercial bank of Africa ltd
14. Consolidated bank of Kenya ltd
15. Credit bank ltd
16. Development bank of Kenya ltd
17. Diamond trust bank (k) ltd
18. Dubai bank Kenya ltd
19. East African building society
20. Equatorial commercial bank ltd
21. Equity bank ltd
22. Family bank
23. Fidelity commercial bank ltd
24. Fina bank ltd
25. Giro commercial bank ltd
26. Guardian bank ltd
27. Habib bank ltd
28. Habib bank A.G Zurich
29. Imperial bank ltd
30. Investment & mortgages bank ltd
31. K-rep bank ltd
32. Kenya commercial bank ltd
33. Middle east bank (k) ltd
34. National bank of Kenya ltd
35. Nic bank
36. Oriental commercial bank ltd
37. Paramount universal bank ltd
38. Prime bank ltd

39. Southern credit banking corp. Ltd
40. Stanbic bank Kenya ltd
41. Standard chartered bank (k) ltd
42. Trans-national bank ltd
43. Victoria commercial bank ltd