THE ROLE OF TECHNOLOGY ON STRATEGY IMPLEMENTATION IN TIER TWO COMMERCIAL BANKS IN KENYA

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DECLARATION

This project is my original work and has not been presented for the award of a degree in any other university.

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

Moses Kipkemoi Tanui

D61/74414/2014

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

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DEDICATION

This project is dedicated to my family who have inspired and motivated throughout my studies. Many thanks to my wife Judy Tanui, for understanding my busy and hectic schedule while pursuing my MBA. Most of all, the almighty God for the strength and courage to complete my course.

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I thank God for providing me with an opportunity, strength, health, knowledge and favour to complete this research project. Special gratitude goes to my family for their patience and who also afforded me the moral and material support that I needed. I am heartily thankful and appreciate my supervisor, without whose guidance and supervision, this project would not have been accomplished. I would want to acknowledge the role played by my colleagues and lecturers at the University of Nairobi while pursuing this Masters degree. Finally, I appreciate the efforts of all the respondents who took time to participate in this study. Thank you and God bless you all.

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ABSTRACT

An ever changing business environment characterised by stiff competition, changing customer and investor demands, changing regulation, and new compliance demands has become the norm for most organizations today. In order to compete in this kind of environment firms must continously review their current objectives and strategies in ways that make the organization more successful. The objectives of this study were: to determine the level of IT adoption among Tier II commercial banks in Kenya, and to determine the role of IT in strategy implementation among Tier II commercial banks in Kenya. The study used questionnaires as the primary instrument of data collection. Before processing the responses, the completed questionnaires were sorted, checked and edited for completeness and consistency. The data was then coded which enabled the responses to be grouped into various categories. Descriptive statistics technique was used to analyze the quantitative data. Coding was done in SPSS, analyzed and the output interpreted in frequencies, percentages, mean scores, and standard deviation. The study found that majority of Tier II banks set aside more than 10% of their budget for IT infrastructure, had between 41% to 60% level of computerization of activities and had functional website or social networking page. Furthermore, the study found out that staff had workstations with access to the intranet and internet for communications; the organization had a dedicated IT department; the organization has integrated software to manage their funding and budget; all staff able to access essential services and perform work outside the office and the finance department utilized all accounting software in their operations. The study recommends that the management of the Tier II banks should utilize IT in the strategy implementation in human resources planning, staff training and retention, business level and objectives designing, documentation, and understanding.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The environment is constantly changing (Ansoff, 1984) and thus for the organization to constantly align itself with the ever changing environment and activities in order to survive and safeguard its books of accounts and market niche in this turbulent environment, a focused alignment of the Information Technology (IT) function with business strategy, becomes critical. There is no doubt that Information Communication Technology (ICT) is at the focal point of the worldwide change bend. Shelter and Wakefield (2010) fight that directors cannot overlook data frameworks on the grounds that they assume a basic part in contemporary association. They call attention to that the whole money streams of most fortune 500 organizations are connected to data frameworks (Bunker & Wakefield, 2010).

This study was guided by strategic alignment theory and competitive advantage theory. Both theories recognize the existence of a relationship between technology and strategy from different perspectives. Competitive advantage informs the study that emphasizes new ways in which company's uses to outperform their rivals as well as being able to change the industry structure and by doing so it alters the rule of competition. Strategic alignment theory postulates that in order for IT to be effective, technology, business process and organization process need to be adapted to each other. The alignment of both the business strategy and ICT strategy process so as to improve on its performance in the long term. It also helps the organization to know where they are and where they want to go (Baker, 2008).

According to Anyanzwa (2016), the income development force and productivity of Kenyan banks have been declining continuously in the course of recent years fundamentally because of a drop in edges as an aftereffect of declining resource yields (on the back of a low loan fee environment) and expanding financing costs (because of expanding rivalry from Tier 2 banks). In Kenya, aggressive Tier 2 banks have ensured minimal concentration risk. Tier two banks have their balance sheets between Ksh. >100 billion <30 billion. In addition, introduction of strict regulatory frameworks by the

Central Bank of Kenya (CBK) as regards interest rates and the enlightened and exposed general public (Ernest & Young , 2014) have led to the initiation of innovative products and services in the market thereby resulting to cut throat competition amongst the tier II Banks.

1.1.1 The Concept of Strategy

The concept of strategy carries various notations. It is defined as definition of goals and objectives (Antony, 1965); it can also be viewed in five distinctive routes as an arrangement, a ploy, an example, a position and a point of view (Mintzberg, 1980). Watchman (1980) characterizes procedure as a vehicle for accomplishing upper hand while Chandler (1990) characterizes system as assurance of the fundamental, long haul objectives of an endeavour and the selection of game-plans and the distribution of assets important to complete the objectives. Strategy provides the direction for operations by simply juggling between the art and science options of business management. It is a matter of understanding current option, creating new options and choosing among them. The object of strategy is to bring about advantageous conditions within which action will occur. Therefore, it is an arbitrating power between the corporation and its environs (Mintzberg, 1980).

Johnson and Scholes (2002) characterize technique just like the course and extent of an association over the long haul, as being the search for competitive advantage, as being the configuration of resources and competencies in a changing environment and as being the set decisions that a firm’s management takes as it seeks to fulfil stakeholder expectations. A Key task of top management is formulating corporate strategy. Where is the partnership going? What does the enterprise do well? What shortcomings do we have to address? Could the firm proceed with its present exercises at an abnormal state of execution? What open doors for new headings are accessible? What's going on with contenders? What capabilities do we have to fabricate? Will the firm proceed with its present course, keeping up force where it is doing admirably? Then again, the organization can drastically change its procedure by choosing contending choices for new pursuits.

1.1.2 The Concept of Technology

Technology has been given a number of definitions by the past literatures. According to Kraiger (2011), technology includes two major components. It is a physical component that comprises items for instance products, tooling, equipment, blueprint, techniques, as well as process. In addition, it is an international component that has the known how on administration, promoting, creation, quality control, unwavering quality, gifted work or the useful territories. Past editions, consider technology as a number of configurations that observe the object transfer which depends on a subjectively influenced but particular set of procedures and items. As indicated by Joam (1965), innovation can be put into three noteworthy sorts and their related procedures. The little bunch and unit creation innovations offer units one for without fail, for the little numbers, as a reaction towards set number of requests for the given item. Such innovation is identified with work prepare where there is a representative who is included in every phase till the end.

On the other hand, the huge clump and the large-scale manufacturing innovations frequently make huge number of the comparative things in a similar time for a given market that is not differentiated (Yusuf & Al-Banawi 2013). Ulrich et al. (2013) add that labour process constitutes much of the division of labour within the Fordist Assembly line. This technology usage is moderate. The continuous process production is viewed as a technology which takes place where the raw materials in a common change process cannot be placed in a unique and also separate operations. There is no much contact physically with the materials that have been manufactured. Such technology is quite complex

1.1.3 Strategy Implementation

Pierce and Robinson (2007) characterize vital administration as an arrangement of choices and activities that outcome in the definition and execution of arrangements intended to accomplish an organization's target. These plans are systematic and elaborate and are referred to as strategies. Strategy therefore, is the means through which an organization attains its objectives and vision.

The ecological conditions confronting numerous organizations have changed quickly. Today's worldwide focused environment is mind boggling, dynamic, and generally flighty. To manage this extraordinary level of progress, a considerable measure of time and arranging has gone into how techniques are best detailed. The appraisal of system definition forms gets to be urgent for specialists and scientists alike with a specific end goal to lead and assess diverse plan forms. Strategic implementation refers to as the phase in which intended strategies are translated into workable strategies from top down through the organization (Johnson, Scholes & Whittington, 2005).

While strategy formulation deals with crafting strategy, strategy implementation deals with executing strategy (Thompson, Strickland, & Gamble, 2007). Strategy implementation is principally two phase: institutionalization and operationalization. Questions asked in this phase are who, what, and how? (Hunger & Wheelen, 2005) Executing strategy often involves aligning organizations institutions of structure, control systems and culture to strategy. Required additional actions in this phase are preparing annual objectives and budgets, allocating resources, developing and utilizing information systems and establishing targeted marketing efforts (David, 2011). Management and employee morale and commitment become crucial and hence, appropriate compensations must be sort and linked to performance.

1.1.4 Commercial Banks in Kenya

Commercial Banks in Kenya are represented by the Companies Act, the Banking Act, and the Central Bank of Kenya Act (CBK). The managing an account industry was changed in 1995 and trade controls lifted (The Africa Government and Public Services Insight Journal 2015). National Bank of Kenya is the administrative power while the controlled are Commercial banks and Mortgage fund establishment, non-managing an account money related foundations and Forex authorities. The Central Bank of Kenya, which falls under the service of fund docket, is in charge of figuring and executing fiscal arrangement and cultivating the liquidity, dissolvability and appropriate working of the monetary framework. As at December 2015, managing an account industry contained 43 business banks and one home loan foundation, 15 miniaturized scale fund organizations and 109 remote trade authorities.

In the course of the most recent couple of years, the Banking area in Kenya has kept on developing in Assets, Liabilities, Profitability and Products offering basically because of the wide branch arrange both in Kenya and in the East African people group district. The mechanization of administrations and a move towards accentuation on the mind boggling client needs as opposed to customary 'off-the-rack' keeping money items. The Banking business in Kenya however has had challenges radiating from new controls and the money related and economic situations which have influenced the keeping money industry in Kenya particularly concerning stores assembly and decrease in exchange volume (CBK, 2015).

1.1.5 Tier II Banks in Kenya

In the banking sector, tier two banks collectively control 41.7% of the market. This means that their performance may not be compared to other banks that have assets that are highly valued. The operations in these banks have also been moderate and have some elements of stability in service provision in these current times. In the Tier 2 category, there are 14 banks which includes: CFC Stanbic, NIC, Diamond Trust Bank, I&M, Bank of Africa, Family Bank, Ecobank, Housing Finance, Bank of Baroda, Bank of India, Citibank N.A, Guaranty Trust, National Bank, and Prime Bank

Tier two commercial Banks as characterized in Section 2(1) of the Banking Act incorporates those keeps money with 25% of advantage revaluation holds which have been gotten earlier Central Bank's endorsement, subordinated obligation, issued and paid-in cross breed (obligation value) capital instruments or some other capital instrument affirmed by Central Bank. Supplementary capital must not surpass centre capital. Level 2 capitals incorporate revaluation holds, mixture capital instruments and subordinated term obligation, general advance misfortune saves, and undisclosed stores. Level 2 capital is supplementary capital since it is less solid than level 1 capital. In 2015, under Basel III, the base aggregate capital proportion is 8%, which demonstrates the base level 2 capital proportion is 2%, instead of 6% for the level 1 capital proportion.

1.2 Research Problem

An ever changing business environment characterized by stiff competition, changing customer and investor demands, changing regulation, and new compliance demands has become the norm for most organizations today. In order to compete in this kind of environment firms must continually review their current destinations and procedures in ways that make the association more fruitful. Strategic management is a widely accepted concept in management today. Organizational leaders are expected to set clear vision and mission statements for their firms and then marshal the entire organization towards achievement of set goals. In most organizations today, clear strategic management structures have been established to ensure effective formulation and execution of strategy. Strategy formulation in particular is concerned with how a firm's set objectives will be achieved (Thompson, Stickland & Gamble, 2007).

Over the last few years, Tier II Banks has acknowledged colossal development in the most recent five years and has extended toward the East African district. The development has been fundamentally supported by, the industry's wide branch organize extension technique both in Kenya and in the East African people group district and computerization of countless combined with a move towards accentuation on the intricate client needs as opposed to customary 'off-the-rack' managing an account items. Players in this division have encountered expanded rivalry in the course of the most recent couple of years coming about because of expanded advancements and new contestants into the market (PWC, 2013). However, some tier II banks are unable to compete with bigger tier I banks due to their financial capacity to adopt current IT environment, employee retention, poor governance and stiff competition from bigger banks. This has resulted to minimal expansions of these banks. The operations in these banks have also been quite shaky and have some elements of instability in service provision in these current times. As such there is need for this study to examine in detail what is really main cause of unpleasant performance among these banks.

IT provides opportunities such as alignment of organizations with stated goals, creating sustainable competitive advantages and enabling organizations to catch up with rivals. Mugasia, (2012) researched on the hindrances prevalent toward the execution of strategies at NCG. The study concluded that leadership, culture, technology, availability of substitute products/services are the major challenges facing strategy implementation at the NCG. Mulunda, (2014) did a study focusing on technology in plan execution at UNICEF. The research concluded that administrators involved in the strategic process often attend training sessions on new technologies. The research in addition reveals that keeping open lines of communication during strategy implementation is key to successful implementation. Muchira (2013) did a study on the Relationship between strategy implementation and performance in commercial banks in Kenya. Mburu (2011) did a study on strategy implementation and performance in Barclays bank of Kenya. Ndungu (2013) did a study on strategy implementation process in commercial banks in Kenya. Nyangweso (2009) did a study on the practice and challenges of strategy implementation at Cooperative bank of Kenya. There is no known study on influence of technology on strategy implementation in Tier II commercial banks in Kenya. This study attempted to bridge the knowledge gap by answering the research question; what is the role of IT in strategy implementation among Tier II commercial banks in Kenya?

1.3 Research Objectives

The objectives of this study were:

i) To define the level of IT acceptance among Tier II commercial banks in Kenya.

ii) To define the role of IT in strategy implementation among Tier II commercial banks in Kenya.

1.4 Value of the Study

The findings of this study, besides being a point of reference for future studies, will be useful to future researchers wishing to explore the subject of strategy and technology alignment due to the value it adds to the body of knowledge on strategy implementation and technology.

The Tier II Commercial Banks among other organizations, will appreciate what effect technology has on strategy implementation and perhaps understand why some technology based strategies fail at implementation stage while others succeed.

This study has the main objective of determining the role of technology in strategy implementation. It is therefore useful to policy makers in understanding the effect of technology at strategy implementation phase of the strategic management process.

Therefore policy makers will have valuable information thus enabling them make well thought out decisions instead of the mere assumption that has always been the case that technology is value adding and hence it's a necessity for every strategy.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Literature review section abridges the foundation and setting for the examination issue. Works and results from different analysts who have done their examination in a similar field of study are exhibited here. The particular territories secured in this section are; the hypothetical system, idea of methodology, technique execution, level of IT application, IT in procedure usage and successful system usage.

2.2 Theoretical Framework

There have been a number of theoretical frameworks advanced in attempting to explain the relationship between technology and strategy. However, in the context of this study, strategic alignment theory has been considered relevant to this study. Additionally the theory of competitive advantage as advanced by Porter will be reviewed to give an in depth to the concept of strategy implementation and how its affected by the level of technology.

2.2.1 Strategic Alignment Theory

Even though it is now cognizant that a universally applicable management strategy is not feasible, Chorn (1991) asserts that particular set of circumstances determines the appropriateness of each strategy (Chorn, 1991). Essentially, key "fit", empowers an association to work in its specific aggressive circumstance at pinnacle viability. This is accomplished by arrangement, which is enhanced when the suitable mix of four rationales; generation, organization, improvement and joining is reproduced in four components, to be specific aggressive circumstance, business technique, association culture and administration style. Investigate in the USA, Europe and Australia has uncovered that prevalent execution (measured in an assortment of ways) is connected with high degrees of arrangement between the four components aforementioned (Baker, 2008; Chorn, 1991).

This theory informs the study that highlights a continuous change and adaptation of the organization process. The study emphasizes that in order for IT to be effective, technology, business process and organization process need to be adapted to each other. The alignment of both the business strategy and ICT strategy process so as to improve on its performance in the long term. It also helps the organization to know where they are and where they want to go.

2.2.2 Theory of Competitive Advantage

Michael E. Doorman formulated the theory of competitive advantage, beginning from the genuine monetary reality which could never again be clarified on the premise of the model of relative focal points. Michael Porter's 1979 system utilizes ideas created as a part of microeconomics to infer 5 drives that decide the appeal of a market. They comprise of those strengths near an organization that influence its capacity to serve its clients and make a benefit. An adjustment in any of the strengths requires an organization to re-evaluate its commercial center (Porter, 1975; Porter, 1980).

Four powers to be specific, the bartering force of clients, the dealing force of providers, the danger of new contestants, and the risk of substitute items join with different factors to impact a fifth constrain, the level of rivalry in an industry. This 5 powers examination is only one a player in the total Porter vital framework. Alternate components are vital gatherings (additionally called vital sets), the esteem chain, the bland procedures, for example, cost authority, separation, and centre, and the market situating techniques of significant worth based, needs based, and get to based market positions.

2.3 Role of Technology in Strategy Implementation

Over the last half a century, numerous authors and practitioners have attempted to define strategy in a business context. A good deal of literature has accumulated on the definition and meaning of strategy. Strategy, which is a major administration instrument in any association, is a multi-dimensional idea that different creators have characterized in various ways. Different endeavours in definitions have been made in attempting to catch the expression "System". Maybe the most remarkable commitment was when Chandler (1962) characterized methodology as the assurance of the fundamental long haul objectives and targets of a venture, and the reception of blueprints and the assignment of assets vital for doing these objectives”(p.13). Chandler (1962) introduced a term that was primarily used in the military to the business world to illustrate the direction the corporate world was evolving towards.

Johnson, Scholes, and Whittington (2005) define strategy as the course and extent of an association over the long haul, which accomplishes advantage in a changing situation through its arrangement of assets and skills with the point of satisfying partner desires (p. 9). Strategy can be defined as the strategic fit of activities and decisions between inside abilities, skills, and assets, and outer environment of an association. Mintzberg, Lampel, Quinn, and Ghoshal (2009) have shown that part of the problem in defining the concept of strategy is that the word is used in a number of different ways. Accordingly, they view strategy as an arrangement, play, example, position and point of view (Mintzberg et al., 2009). These different views of the concept are not necessarily conflicting but rather complementary, emphasizing different aspects of strategy that each needs to be considered.

Johnson, Scholes, and Whittington (2005) have identified three different levels of strategy: Corporate, Business and Operational. Each level of strategy is important and is interrelated to the other two. Corporate level strategy fixates on the general extent of an association and how esteem will be added to the diverse parts (specialty units) of the association. The second level is the business level procedure, which is about how to contend effectively specifically markets or how to give best esteem benefits in general society administrations. The third level of technique is at the working end of the association. These systems are called operational methodologies, which are worried with how the segment parts of an association convey adequately the corporate and business level techniques as far as assets, procedures, and individuals.

IT adoption helps banks improve performance through an effective strategy implementation. Various studies have tried to unearth why different nations and organizations are at different levels of IT usage despite the evidence given of the benefits accruing on IT investments. Even after two decades of the development of the World Wide Web there exists the digital divide (Corrales & Westhoff, 2006; Mutula, 2008).

The digital divide is described as the difference between the rates of IT usage across nations (Corrales & Westhoff, 2006; Mutula 2008). The rate of IT usage across nations is attributed to the characteristics of the technology itself and the attributes of the receiving components, which incorporate the social and institutional setting in which adopters work (Corrales & Westhoff, 2006; Ondari-Okemwa, 2004).

The developed economies have adopted IT at a faster rate than the developing economies and that is why they are experiencing high growth rate from the other regions (Corrales & Westhoff, 2006). There is evidence from several studies that shows those nations that adopt information technologies experience larger amounts of exchange, pay, proficiency, innovative foundation, and market-arranged strategies whether created or creating (Bartel et al., 2009). Technology diffusion theory also contributes to the literature of IT adoption by stating that gifted machine-clients receive another innovation to start with, while untalented clients hold up until machines turn out to be more dependable and open (Mukoyama, 2003).

Rogers (1995) in his diffusions of innovation theory categorized five stages of adopters namely; innovators, early adopters, early majority, late majority and laggards. Organizations as well as individual can fall in any category depending on adopter's willingness and ability to adopt an innovation, awareness, interest, evaluation, trial, exposure, and capacity to adopt. Hence IT adoption can be said to depend on both the characteristic of the technology in question and the adopting unit (Corrales & Westhoff, 2006).

Various attempts have been made to link IT and strategy (Andresen et al., 2000; Bakos & Tracy, 1986; Powell & Dent-Micallef, 1997). There is also substantial literature linking IT and productivity (Bartel et al., 2009; Brynjolfsson & Hitt, 1996). IT is argued as an essential strategic tool in facilitating strategy implementation and enhancing organizational productivity.

Bakos and Tracy (1986) distinguish three levels in which IT affects strategy: internal, competitive and business portfolios. These levels provide opportunities that can improve strategic performance. Internal strategy concerns developing efficient and effective organizational structures and processes for achieving organizational objectives. In addition, IT has optimized organizational structures and processes to enable them to respond to environmental dynamics (Bakos & Tracy, 1986; Pearlson & Saunders, 2010). Competitive strategy focuses on competitive moves within the industry in which the organization operates (Bakos & Tracy, 1986). An organization is bombarded with many elements in the competitive landscape that influence its operations.

Organizations therefore, must develop multiple approaches to its strategic landscape. Generally, two approaches can be identified that IT can be applied to create competitive advantage: the Five Competitive Forces model, and the Value Chain analysis model. In all the cases, an organization IS strategy must be aligned to its business strategy (Pearlson & Saunders, 2010). The IS strategy is the arrangement the association uses to give data administrations while IT provides the infrastructure. Michael Porter's Five Competitive Forces model provides a strategist with five major forces that shape an organizations competitive landscape. Information resources can apply to influencing each force.

Using Michael Porter's Five Competitive Forces model, Bakos and Tracy (1986) have recognized six non-specific classifications of chances for upper hand. Firstly, an association can build client's exchanging costs through esteem including IT based administration. Secondly, an organization can decrease its own switching costs against suppliers. Thirdly, IT can be utilized in product/service innovation to create products able to withstand substitutes. Fourthly, organization within industry can cooperate through IT shared resources. Fifthly, IT can be utilized to replace labour. Lastly, IT can be utilized for better intelligence gathering on market dynamics.

The Value Chain model addresses the exercises that make, convey, and bolster an organization's item or administration (Pearlson & Saunders, 2010). IT can be utilized to improve each value adding function, connect suppliers and customers, and also create new business. Value chain activities analyses are geared towards operational efficiency and functional effectiveness. IT-based systems to note that support an organizations value chain are the Enterprise Resource Planning (ERP), Customers Relationship Management (CRM) and Supply Chain Management (SCM).

Customers Relationship Management (CRM) incorporates administration exercises performed to get, upgrade associations with, and hold clients (Pearlson & Saunders, 2010). CRM is an organized arrangement of exercises intended to take in more about clients' needs and practices to create more grounded associations with them and to improve their esteem chains. CRM can provide a competitive edge through better customer service and stakeholder satisfaction.

Supply chain management (SCM) is an approach that consists of interrelated chain of activities that improve the way an organization discovers crude segments it needs to make an item or administration, makes that item or administration, and conveys it to customers (Pearson & Saunders, 2010). Business quality improvement programs such as the Just in time (JIT) and total quality management (TQM) rely on lean SCM to ensure high quality products and zero wastage through operational efficiency and functional effectiveness.

Business portfolio strategy focus on which industries an organization can compete in and how its positions itself (Bakos & Tracy, 1986). IT can alter market dynamics by controlling infiltration of information. An organization can take advantage of opportunities arising from new technology. New technology can present an organization with a competitive edge or vice versa (Powell & Dent-Micallef, 1997).

The parts, prerequisites and duties of IT can in this way be immeasurably extraordinary, contingent upon how we utilize it. The two parts of IT suggest immeasurably unique procedures in both system detailing and execution. IT, in connection to business system, would take a gander at nonexclusive methodologies of item separation. IT, in connection to corporate technique then again, would take a gander at procedures of cost administration and item improvement.

Associations that have possessed the capacity to effectively coordinate IT and methodology execution have made huge business returns (Bartel et al., 2009; Brynjolfsson & Hitt, 1996). Business joint effort and innovation mix are the needs, yet the specifics vary from organization to organization. The way to achievement relies on upon the degree to which organizations comprehend the community-oriented plans of action they have to bolster incorporated innovation.

Organizations searching for a compass to manage their IT venture techniques must consider the work together/coordinate goal (Andriole, 2005). IT alone cannot elicit sustainable competitive advantages or performance but can leverage intangible resources such as culture and integrate well with strategic planning and supplier relationships (Powell & Dent-Micallef, 1997). Awino (2011) argues that synergy produced from joint effects of an organizations core competence, core capabilities, strategies and strategy implementation, is greater than their individual effects

An investigation of the upper hand in fruitful new innovation based firms found that their innovation procedure assumed a key part to make these organizations enhance their upper hand (Campos, 2008). To encourage reasonable upper hands, associations ought to arrange their IT procedure with the corporate system (Clarke, Ford, Saren, & Thomas, 1995). While IT writing recommends that for IT system to prevail inside the association and accomplish its destinations, such technique must incorporate six key components, for example, the sort of innovation, the craved level of skill, the choice to make or purchase the innovation, R&D venture and association and the correct planning for innovation presentation.

Strategy implementation is a more complex and difficult task owing to the challenges of converting strategic statements into specific objectives and initiatives and also the number different of approaches strategists can utilize. Effectiveness endeavours to overcome these challenges. According to Alexander (1991) and Beer and Eisenstat (2000), there are several occurring strategy implementation challenges including; unfeasibility of strategy and unaligned organization systems and resources to strategy, weak management and leadership roles, underestimating the time needed for implementation, poor coordination and communication, and unanticipated obstacles. With regard to people, the capabilities and commitment of representatives included are regularly not adequate, preparing and guideline given to lower level workers are not satisfactory. Moreover wild figures the outside environment have an antagonistic effect.

In spite of the fact that the minimum successive in this study largely the data frameworks used to screen execution are not satisfactory.

The McKinsey 7-S Framework provides a powerful tool that captures the key elements that need to be effectively aligned and coordinated for minimizing challenges and enhancing effectiveness in strategy implementation. They are as the 7Cs namely: Shared values (culture), structure, strategy, skills, staff, style and systems. They're all interdependent hence; modification or ignorance of either of the elements may affect all others as well. The advantage of applying McKinsey 7-S Framework is that it is a powerful demonstrative instrument for comprehension associations that are insufficient, manage hierarchical change, and joins balanced and hard components with enthusiastic and delicate components.

Execution is fruitful if the organization accomplishes its vital goals and focused on levels of monetary execution (Thompson, Strickland & Gamble, 2007). Kaplan and Norton (1996) built up the adjusted scorecard, which joins various money related and non-monetary measures of the chose methodology. While perceiving that each system is one of a kind, they then distinguish four technique viewpoints: the money related point of view; client viewpoint; inner point of view and Innovation and learning point of view.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the techniques and modalities that were utilized to gather information on the impact of IT in procedure execution among level II business banks in Kenya. This part was organized into research plan, target populace and examining procedures, information gathering and information examination.

3.2 Research Design

The study adopted descriptive research design, which is proper where the study looks to portray the attributes of specific gatherings, gauge the extent of individuals who have certain qualities and make forecasts (Cooper & Schindler, 2011). The outline is additionally reasonable since it portrays the situation as it exists without control of factors (Kothari, 2004).

3.3 Population of the Study

Target population in measurements is the particular populace about which data is sought. As indicated by Ngechu (2004), a populace is an all around characterized set of individuals, subjects, components, and occasions, gathering of things or families that are being examined. This definition guarantees that populace of intrigue is homogeneous. The objective populace of this study was the 14 Tier 2 business banks in Kenya as accommodated by the CBK and NSE databases. Because of the generally little size of the objective populace, an enumeration design was adopted where all 14 Tier 2 commercial banks in Kenya took part in the study.

3.4 Data Collection

The study used questionnaires as the primary instrument of data collection. The questionnaire was semi-structured; consisting of both open and close-ended questions. The structured questions helped the researcher in acquiring specific information while the non-structured questions helped the respondent express his or her opinion. The questionnaire contained three sections. Section A focused on the demographic traits of respondents and the Organization information; Section B focused on level of influence of

IT in strategy implementation and Section C contained information on the success of strategy implementation through the use of IT . The questionnaire was filled by the Chief Executive officers, Functional Managers and Strategy champions from the various Tier 2 commercial banks.

3.5 Data Analysis

Before preparing the responses, the finished polls were sorted, checked and altered for fulfilment and consistency. The information was then coded which empowered the reactions to be assembled into different classes. Engaging measurements strategies were utilized to investigate the quantitative information. Coding was done in SPSS, dissected and the yield translated in frequencies, rates, mean scores, standard deviation and rankings. The discoveries were displayed utilizing tables, diagrams, and pie graphs. This was upgraded by a clarification and translation of the information.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents examination and discoveries of the study as set out in the exploration approach. The study discoveries are introduced on the part of innovation on procedure execution in Tier II Commercial Banks in Kenya. The information was accumulated solely from the survey the essential research instrument. The poll was intended to meet the destinations of the study.

The study targeted 42 respondents from Tier II Commercial Banks in Kenya in gathering information with respect to the part of IT in procedure execution among the Tier II Commercial Banks in Kenya. From the study, 39 out of the 42 test respondents filled-in and gave back the polls making a reaction rate of 92.9%. This sensible reaction rate was made a reality after the scientist made individual telephone calls and visits to remind the respondent to fill-in and give back the questionnaires.

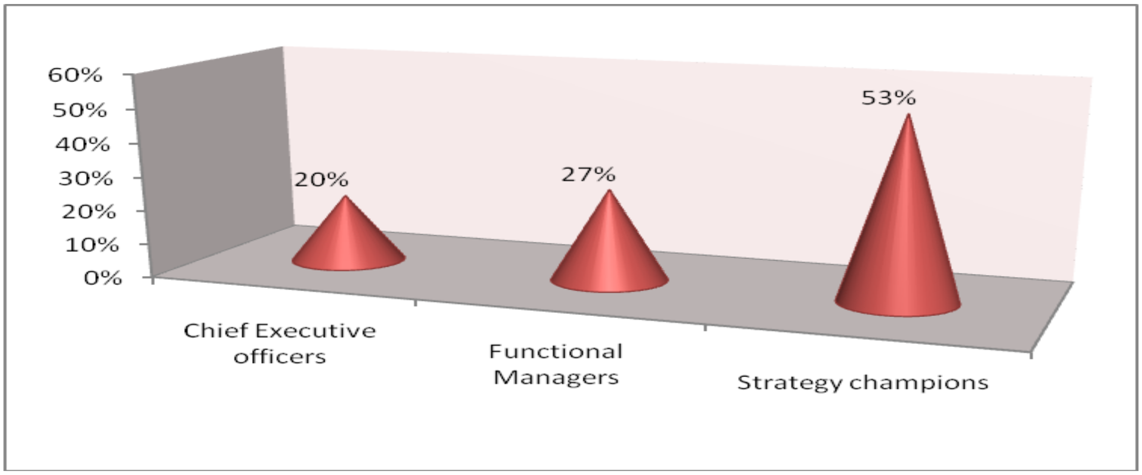
4.2 Demographic Data

The research aimed examining some basic data on the participants and their organizations with regards to designation, academic qualification, duration of working, number of branches and number of employees. The data helped in assessing the respondents' suitability in answering the questions as well as knowledge of the Tier II Banks historical data.

4.2.1 Designation of the Respondents

The research aimed at finding out the designation of the respondents in their organizations. The discoveries are presented in figure 4.1 below.

Figure 4.1: Designation in the Organization



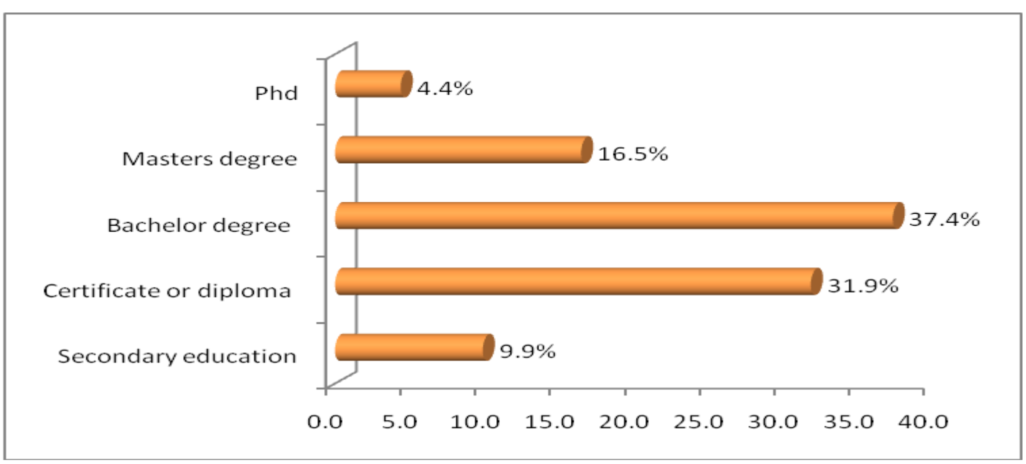
Source: Research Data (2016)

From the findings, 53% of the respondents were strategy champions, 27% were functional mangers while 20% were at the chief executive officers. This demonstrates larger part of the respondents in this study were strategy champions thus, had rich information and knowledge on the role of IT in strategy implementation among the Tier II Commercial Banks in Kenya.

4.2.2 Highest Level of Education

The research aimed at finding out the highest level of education attained by the participants. The findings are presented in figure 4.2 below.

Figure 4.2: Highest Level of Education



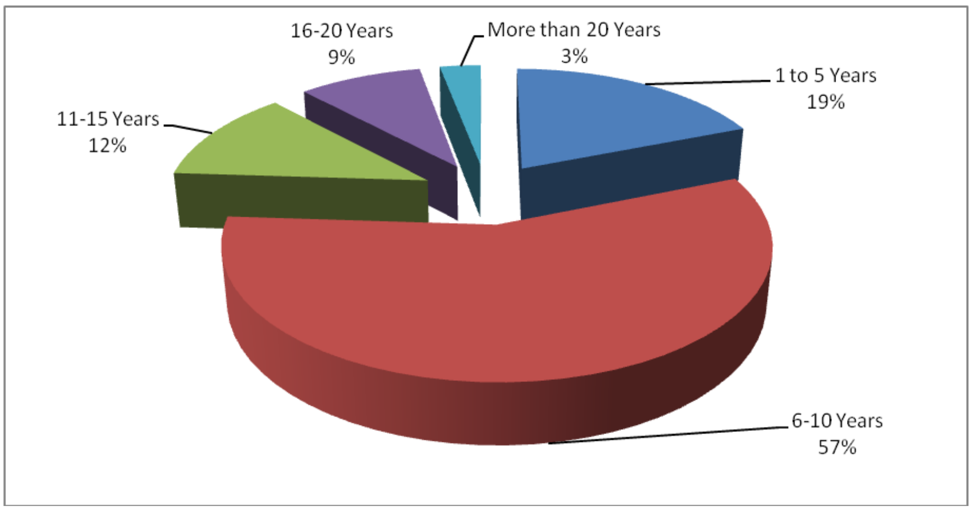
Source: Research Data (2016)

From the findings above, most of respondents (37.4%), had bachelor's degree, 31.9% had college certificates or diplomas, while 16.5% had masters degree. This shows that majority of the employees in Tier II Commercial Banks in Kenya have attained university education thus had rich information and knowledge on the role of IT in plan execution among the Tier II Commercial Banks in Kenya.

4.2.3 Number of Years Worked for the Organization

The research aimed at finding out the period that the participants had sustained their employment in the corporation. The findings are presented in figure 4.3 below.

Figure 4.3: Number of Years Worked for the Organization



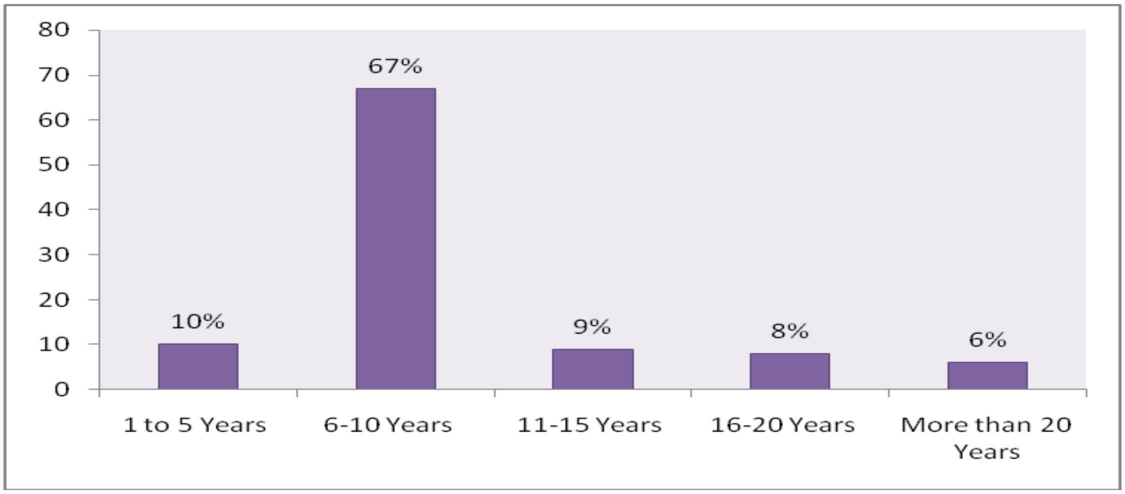
Source: Research Data (2016)

From the findings of the research, the larger part of the participants (57%), had been working in the organization for a period of between 6 - 10 years while 19% had worked in the organization for a period of between 1 - 5 years. This shows that majority of the employees in Tier II Commercial Banks in Kenya had worked in the organization for a long time thus, had rich information and knowledge on the role of IT in strategy implementation among the Tier II Commercial Banks in Kenya.

4.2.4 Number of Years that the Organization have been Operating in Kenya

The research aimed at finding out the period that the corporation has been practising business in Kenya. The findings are presented in figure 4.4 below.

Figure 4.4: Number of Years that the Organization has been Operating in Kenya



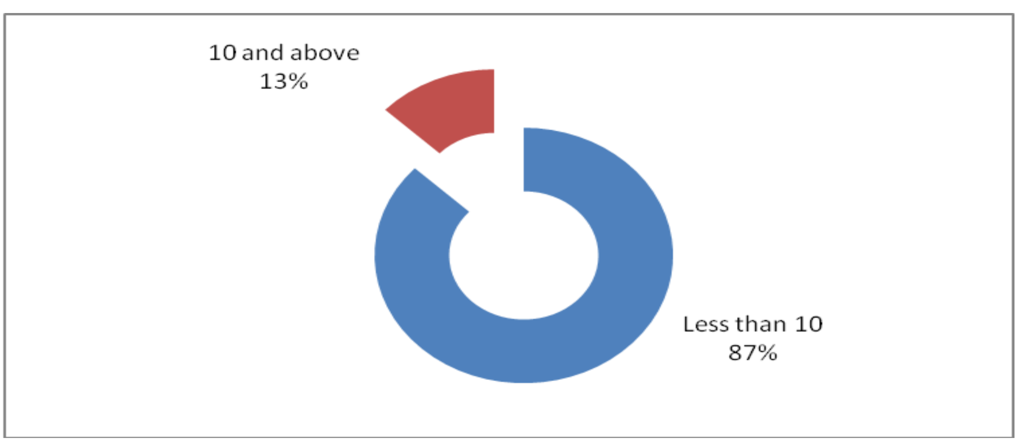
Source: Research Data (2016)

From the figure above, majority of respondents (67%) indicated that the Tier II Banks had been in operations for a duration of 6 - 10 years, 10% of the Tier II Banks had been in operations for a period of 1 - 5 years while 9% had been in operations for a period of 11 - 15 years. Therefore, this infers that larger part of the Tier II Commercial Banks in Kenya had been operating in Kenya for more a duration of 6 - 10 years.

4.2.5 Number of Branches in Kenya

The research aimed at establishing the quantity of branches that the organization have in Kenya. The findings are presented in figure 4.5 below.

Figure 4.5: Number of Branches in Kenya



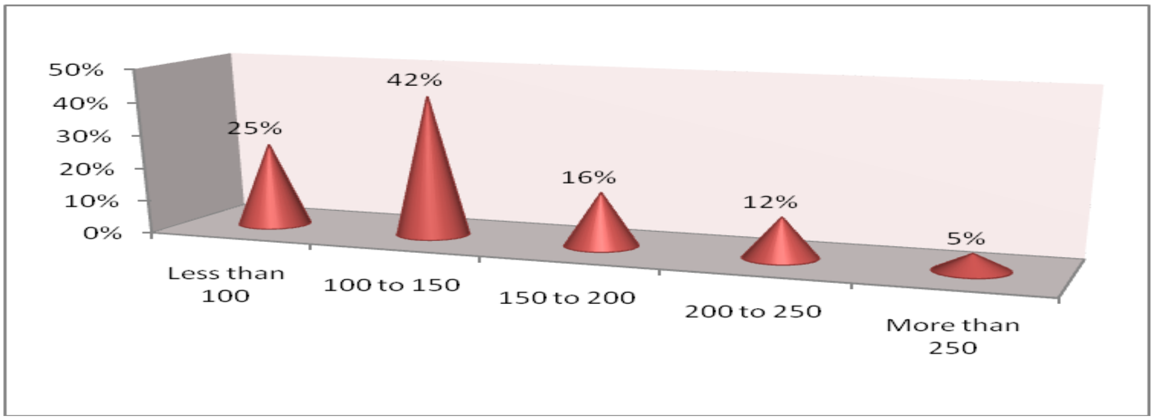
Source: Research Data (2016)

From the discoveries of the research, the larger part of the participants (87%) indicated that their organizations had less than 10 branches in Kenya with 13% of the organizations with more than 10 branches.

4.2.6 Number of Employees in the Organization

The study sought to find out the number of employees in the organization. The findings are presented in figure 4.6 below.

Figure 4.6: Number of Employees in the Organization



Source: Research Data (2016)

From the figure above, most of respondents (42%) indicated that the Tier II Banks had between 100 – 150 employees, 25% had less than 100 employees while 16%, 12% and 5% had between 150 - 200 employees, 200 - 250 and more than 250 employees respectively. This implies that majority of the Tier II Commercial Banks in Kenya had between 100 – 150 employees.

4.3 The Level of Influence of IT in Strategy Implementation

Strategy execution involves the realization of efficient and effective organizational structures and processes for achieving organizational objectives. IT has optimized organizational structures and processes to enable them to respond to environmental dynamics. The study sought to examine the level of influence of IT in strategy implementation among the Tier II Banks within the banking sector.

4.3.1 Percentage of Budget is set Aside for IT Infrastructure

The study in this section sought to find out the percentage of budget which is set aside for IT infrastructure by the organizations. The findings are presented in table 4.1 below.

Table 4.1: Percentage of Budget set Aside for IT Infrastructure

Percentage of budget for IT infrastructure	Frequency	Percent
Not Sure	2	4.4
Less than 2%	3	8.8
3% to 5%	5	13.2
6% to 10%	8	20.9
More than 10%	21	52.7
Total	**39**	**100.0**

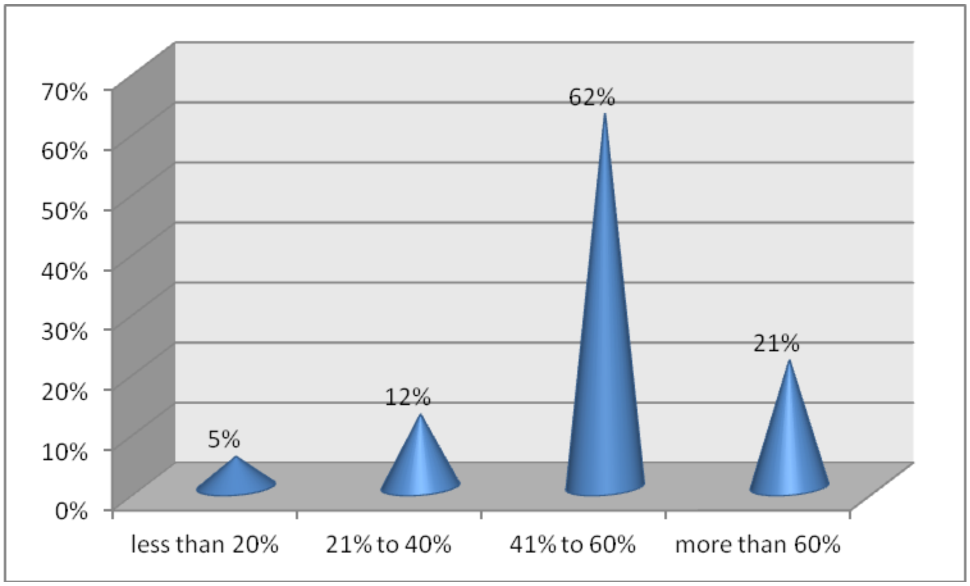
Source: Research Data (2016)

From the table above, majority of respondents (52%) indicated that their Tier II Banks set aside more than 10% of their budget for IT infrastructure, 20.9% indicated 6-10% while 13.2% indicated that their Tier II Banks set aside between 3 - 5% of their budget for IT infrastructure. This implies that majority of Tier II Commercial Banks in Kenya set aside more than 10% of their budget for IT infrastructure.

4.3.2 Level of Computerization of Activities in your Organization

The study also aimed at discovering out the level of computerization of activities in the organizations. The findings are presented in figure 4.7 below.

Figure 4.7: Level of Computerization of Activities in the Organization



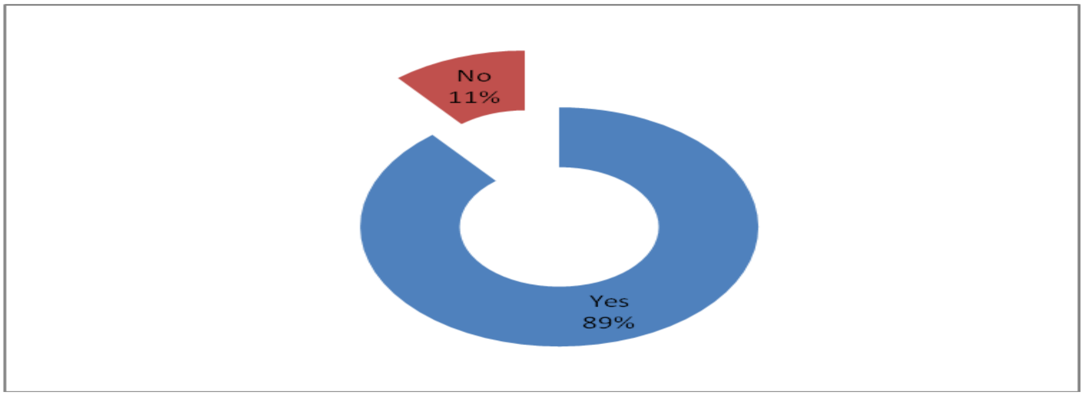
Source: Research Data (2016)

From the study discoveries, the larger part of respondents (62%) indicated that their Tier II Banks had between 41 - 60% levels of computerization of activities while 21% indicated that their Tier II Banks had more than 60% level of computerization of activities. This implies that majority of Tier II Commercial Banks in Kenya Tier II Banks had between 41 - 60% levels of computerization of activities.

4.3.3 Existence of a Functional Website or Social Networking Page in the Organization

The research further aimed at discovering whether the organizations had functional website or social networking page. The findings are presented in figure 4.8 below

Figure 4.8: Percentage of Organizations with a Functional Website or Social Networking Page



Source: Research Data (2016)

From the discoveries of the research, the larger part of the participants (89%) indicated that their Tier II Banks had functional website or social networking page. This implies that majority of Tier II Commercial Banks in Kenya had functional website or social networking page.

4.3.4 Extent to which Indicators of IT Investment Apply in the Organizations

The research additionally requested that the respondents demonstrate the degree to which the accompanying markers of IT speculation connected in their association The reactions were appraised on a five point Likert scale where: 1 – To no extent 2 – To a little extent 3 –To a moderate extent 4- To a great extent and 5- To a very great extent. Findings are presented in table 4.2.

Table 4.2: Extent to which Indicators of IT Investment Apply in the Organizations

Indicators of IT investment in the organization	Mean	Std. Deviation
All staff have workstations with access to the intranet and internet for communications.	4.70	0.915
All staff able to access essential services and perform work outside the Office	4.10	0.959
All staff have been sufficiently trained on effective and efficient use of the IT facilities	3.62	1.302
The organization has a dedicated IT department	4.40	1.037
Each department uses customized software	2.60	1.588
The organization has integrated software to manage their funding and budget	4.40	0.932
The finance department utilizes all accounting software in their operations	4.00	0.909
There are official phones both land and mobile	3.60	1.302
All circulars and other internal documents available and fully searchable electronically	2.60	1.588

Source: Research Data (2016)

Based on the discoveries, the larger part of the participants agreed to a great extent that all staff had workstations with access to the intranet and internet for communications; the organization had a dedicated IT department; the organization has integrated software to manage their funding and budget; all staff able to access essential services and perform work outside the office and the finance department utilized all accounting software in their operations as indicated by the mean scores of 4.70, 4.40, 4.10 and 4.00 respectively.

Conversely, a large number of the participants approved to a moderate extent that all staff had been sufficiently trained on effective and efficient use of the IT facilities and that there were official phones both land and mobile as indicated by the mean scores of 3.62 and 3.60 respectively.

From these findings, it is clear that all staff had work stations with access to the intranet and internet for communications; the organization had a dedicated IT department; the organization has integrated software to manage their funding and budget; all staff able to access essential services and perform work outside the office and the finance department utilized all accounting software in their operations.

4.3.5 Extent to which Organizations Utilized IT in the Strategy Implementation at the Different Levels

The study also requested that the respondents demonstrate the degree to which organizations utilized IT in the strategy implementation at the different levels. The responses were rated on a five point Likert scale where: 1 – To no extent 2 – To a little extent 3 –To a moderate extent 4- To a great extent and 5- To a very great extent. Findings are presented in table 4.3.

Table 4.3: Extent to which Organizations Utilized IT in the Strategy Implementation at the Different Levels

IT utilization in strategy implementation at different levels	Mean	Std. Deviation
Management and Corporate level clear hierarchy of authority, management by objectives and consultative leadership	4.50	0.820
Vision and Mission designing, documentation, and understanding	4.00	0.909
Business level	2.50	1.525
Functional level	3.40	1.220
Human Resources planning, staff training and retention	1.70	1.022
Objectives designing, documentation, and understanding	2.10	1.398
Operational level resources distribution and utilization	4.02	0.909
Preparing annual objectives and budgets	3.90	0.711
Establishing targeted marketing efforts	4.10	1.322

Source: Research Data (2016)

From the table above, majority of the respondents agreed to a great extent that organizations utilized IT in the strategy implementation in management and corporate level with clear hierarchy of authority and practice management by objectives and consultative leadership; in establishing targeted marketing efforts; operational level resources distribution and utilization and in vision and Mission designing, documentation, and understanding as indicated by the mean score of 4.50, 4.10, 4.02 and 4.00 respectively.

On the other hand, most of the respondents agreed to a moderate extent that organizations utilized IT in preparing annual objectives and budgets and in functional level as indicated by the mean score of 3.90 and 3.40 respectively. From these findings, it is clear that Tier II banks utilized IT in the strategy implementation in management and corporate level with clear hierarchy of authority and practice management by objectives and consultative leadership; in establishing targeted marketing efforts; operational level resources distribution and utilization and in vision and mission designing, documentation, and understanding.

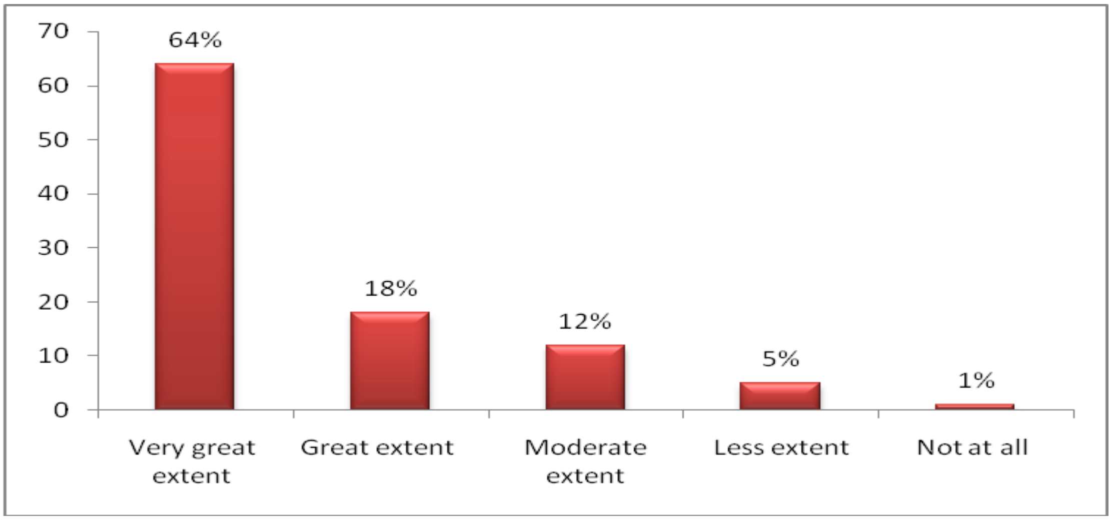
4.4 The Success of Strategy Implementation through the Use of IT

Associations that have possessed the capacity to effectively coordinate IT and technique execution have made noteworthy business returns. The preferred standpoint or applying IT upgrades understanding associations that are incapable, manage authoritative change, and consolidates objective and hard components with enthusiastic and delicate components. What's more, usage is effective if the organization accomplishes its vital destinations and focused on levels of money related execution. The study in this section sought to examine the success of strategy Implementation through the use of IT among the Tier II Banks within the banking sector.

4.4.1 Extent to which IT Enhanced Strategy Implementation in the Organization

The study sought to find out extent to which IT enhanced strategy implementation in the organizations. The findings are presented in figure 4.9 below.

Figure 4.9: Extent to which IT Enhanced Strategy Implementation in the Organization



Source: Research Data (2016)

From the study findings, majority of respondents (64%) agreed to a very great extent that IT enhanced strategy implementation in the organizations while 18% and 12% agreed to a great extent and to a moderate extent respectively, that IT enhanced strategy implementation in the organizations. Therefore, this implies that IT enhanced strategy implementation within Tier II Banks in Kenya to a very great extent.

4.4.2 Extent to which Organizations had Performed Regarding Top Management

The study also asked the respondents to indicate the extent to which organizations had performed regarding top management. The responses were rated on a five point Likert scale where: 1 – To no extent 2 – To a little extent 3 –To a moderate extent 4- To a great extent and 5- To a very great extent. Findings are presented in table 4.4.

Table 4.4: Extent to which Organizations had Performed Regarding Top Management

Top management performance	Mean	Std. Deviation
Through use of IT, the top management's commitment to the strategic direction has been enhanced.	3.20	1.095
There is manager's commitment to performance thus encouraging staffs support and guidance through encouragement of entrepreneurial attributes.	4.00	1.286
Total organizational involvement enhances success, firm profits and overall firm success.	2.50	1.525
Top management team typically leads to greater commitment to the firm's goals and strategies	4.12	0.512

Source: Research Data (2016)

From the table above, the larger part of the participants consented, all things considered, that top administration group regularly prompts to more noteworthy responsibility to the association's objectives and methodologies and there was director's dedication to execution in this manner empowering staffs support and direction through consolation of entrepreneurial characteristics as appeared by the mean scores of 4.12 and 4.00 respectively. On the other hand, most of the respondents agreed to a moderate extent that through use of IT, the top management's commitment to the strategic direction has been enhanced as shown by the mean score of 3.20.

From these findings, it is clear that that best administration group regularly prompts to more prominent responsibility to the association's objectives and methodologies and there was chief's dedication to execution in this way, reassuring staffs support and direction through consolation of entrepreneurial qualities.

4.4.3 Extent to which Organizations had Performed Regarding Organization Communication

The study also asked the respondents to indicate the extent to which organizations had performed regarding Organization communication. The responses were rated on a five point Likert scale where: 1 – To no extent 2 – To a little extent 3 –To a moderate extent 4- To a great extent and 5- To a very great extent. Findings are presented in table 4.5.

Table 4.5: Extent to which Organizations had Performed Regarding Organization Communication

Organization Communication	Mean	Std. Deviation
Organization communication is done both amid and after a hierarchical change to convey data about authoritative improvements to all levels in an auspicious manner	4.50	1.456
Through IT communications clearly explains what new obligations, assignments, and obligations should be performed by the influenced representatives.	3.40	0.522
Through IT there is open and steady correspondence atmospheres which beat those with more prohibitive correspondence situations	4.20	0.761
Through IT correspondence assumes an essential part in preparing, information spread and learning	3.00	1.017
At the point when vertical correspondence is frequent, key accord (shared comprehension about vital needs) is upgraded and an association's execution moves forward.	2.60	1.037

Source: Research Data (2016)

From the table above, majority of the respondents consented, all things considered, that association correspondence is done both amid and after an authoritative change to convey data about hierarchical improvements to all levels in an opportune manner and through IT there is open and strong correspondence atmosphere which outflank those with more prohibitive correspondence situations as appeared by the mean scores of 4.50 and 4.20 separately.

Then again, the majority of the respondents consented to a direct degree that through IT correspondences plainly clarifies what new obligations, undertakings, and obligations should be performed by the influenced workers and through IT correspondence assumes a critical part in preparing, information scattering and learning as appeared by the mean scores of 3.40 and 3.00 separately. From these discoveries, unmistakably that association correspondence is done both amid and after a hierarchical change to convey data about authoritative advancements to all levels in an auspicious manner and through IT there is open and steady correspondence atmospheres, which beat those with more prohibitive correspondence situations.

4.4.4 Extent to which Organizations had Performed Regarding Transparency

The research additionally requested that the respondents demonstrate the degree to which associations had performed with respect to straightforwardness. The reactions were evaluated on a five point Likert scale where: 1 – To no extent 2 – To a little extent 3 –To a moderate extent 4- To a great extent and 5- To a very great extent. Findings are presented in table 4.6.

Table 4.6: Extent to which Organizations had Performed Regarding Transparency

Transparency in the organization	Mean	Std. Deviation
The organization is able to obtain audit report	3.40	0.132
The organization’s departments are accountable and follow budget estimates	4.30	0.118
The organization provide precise and on time financial reports	4.43	0.022

Source: Research Data (2016)

From the discoveries above, larger part of the respondents consented, as it were, that the association gave exact and on time monetary reports and the association's areas of expertise were responsible and take after spending gauges as demonstrated by the mean scores of 4.43 and 4.30 respectively. Then again, the greater part of the respondents consented to a direct degree that the organizations were able to obtain audit report as indicated by the mean score of 3.40. This therefore implies that the organization provided precise and on time financial reports and the organization’s departments were accountable and follow budget estimates.

4.4.5 Extent to which Organizations had Performed Regarding Overall Quality of Service in the Organization

The study also asked the respondents to indicate the extent to which organizations had performed regarding overall quality of service in the organization. The responses were rated on a five point Likert scale where: 1 – To no extent 2 – To a little extent 3 –To a moderate extent 4- To a great extent and 5- To a very great extent. Findings are presented in table 4.7.

Table 4.7: Extent to which Organizations had Performed Regarding Overall Quality of Service in the Organization

Quality of service in the organization	Mean	Std. Deviation
There is improved client satisfaction	3.10	0.539
There is improved output and flexibility of staff	3.00	0.508
There are improved standard measures.	4.27	1.095
There is reduced cost and improved efficiency	4.70	0.915
There is improved satisfaction from external stakeholders	2.90	1.398

Source: Research Data (2016)

From the findings above, greater part of the respondents consented, all things considered, that there was decreased cost and enhanced productivity and there was enhanced standard measures as appeared by the mean scores of 4.70 and 4.27 separately. Then again, the majority of the respondents consented to a direct degree that there was enhanced customer fulfilment and there was enhanced yield and adaptability of staff as appeared by the mean scores of 3.10 and 3.00 respectively. Therefore, this implies that there was reduced cost and improved efficiency and there were improved standard measures.

4.5 Discussion of Findings

The study found out that majority of the employees in the Tier II Commercial Banks in Kenya were supervisors, had bachelor's degree and had been working in the organization for a period of between 6 to 10 years. Furthermore, majority of the Tier II Commercial Banks in Kenya had been operating in Kenya for duration of 6 to 10 years, had less than 10 branches in the country, and had between 100 to 150 employees. This is consistent with Corrales and Westhoff (2006) and Mutula (2008) who observed that the rate of IT usage across nations is attributed to the characteristics of the technology itself and the qualities of the embracing bodies which incorporate the social and institutional setting in which adopters work. The developed economies have adopted IT at a faster rate than the developing economies and that is why they are experiencing high growth rate than other regions.

The study found out that majority of the Tier II Commercial Banks in Kenya set aside more than 10% of their budget for IT infrastructure, had between 41% to 60% level of computerization of activities and had a functional website or social networking page. In addition, the study found out that staff had workstations with access to the intranet and internet for communications; the organization had a dedicated IT department; the organization has integrated software to manage their funding and budget; all staff able to access essential services and perform work outside the office: and that the finance department utilized all accounting software in their operations. Bakos and Tracy (1986) also found out that an organization is bombarded with many elements in the competitive landscape that influence its operations. Organizations therefore, must develop multiple approaches to its strategic landscape. Generally, two approaches can be identified that IT can be applied to create competitive advantage: the Five Competitive Forces model, and the Value Chain analysis model. In all the cases, an organization IS strategy must be aligned to its business strategy. The IS strategy is the arrangement the association uses to give data administrations while IT gives the framework.

In addition, the study found out that organizations utilized IT in the strategy implementation in management and corporate level with clear hierarchy of authority and practice management by objectives and consultative leadership; in establishing targeted marketing efforts; operational level resources distribution and utilization; and in vision and mission designing, documentation, and understanding. This is consistent with Bakos and Tracy (1986) who recognized six bland classes of chances for upper hand. Firstly, an association can expand client's exchanging costs through esteem including IT based administration. Secondly, an organization can decrease its own switching costs against suppliers. Thirdly, IT can be utilized in product/service innovation to create products able to withstand substitutes. Fourthly, organization within industry can cooperate through IT shared resources. Fifthly, IT can be utilized to replace labour. Lastly, IT can be utilized for better intelligence gathering on market dynamics. Moreover, the study discovered that IT upgraded procedure usage inside the Tier II Banks in Kenya to an extremely incredible degree, beat administration group ordinarily prompts to more prominent responsibility to the company's objectives and systems and managers were dedicated to execution consequently promising staffs support and direction through consolation of entrepreneurial properties.

The study also found out that organization correspondence occurs both amid and after an authoritative change to impart data about hierarchical advancements to all levels in an opportune manner and through IT there is open and supportive communication climates. According to Alexander (1991) and Beer and Eisenstat (2000), there are several occurring strategy implementation challenges including; unfeasibility of strategy and unaligned organization systems and resources to strategy, weak management and leadership roles, belittling the time required for usage, poor coordination and correspondence, and unforeseen snags. With respect to individuals, the capacities and responsibility of representatives included are frequently not adequate, preparing and guideline given to lower level workers are not satisfactory. What's more wild figures the outside environment have an unfavourable effect. Despite the fact that the minimum regular in this study by and large the data frameworks used to screen usage are not satisfactory.

In addition, the study found out that organization provided precise and on time financial reports and the organization's departments were accountable and followed budget estimates and that there was reduced cost and improved efficiency and there were improved standard measures. This is consistent with Thompson, Strickland and Gamble (2007) who said that execution is fruitful if the organization accomplishes its key goals and focused on levels of money related execution. Kaplan and Norton (1996) assist built up the adjusted scorecard, which joins various money related and non-monetary measures of the chose procedure. While perceiving that each technique is one of a kind, they then recognize four system viewpoints: the budgetary point of view; client viewpoint; interior point of view and advancement and learning viewpoint.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the study findings, conclusions and recommendations which are provided below based on the objectives of the study.

5.2 Summary of Findings

The study found out that majority of the employees in the Tier II Commercial Banks in Kenya were supervisors, had bachelor's degree and had been working in the organization for a period of between 6 to 10 years. Furthermore, majority of the Tier II Commercial Banks in Kenya had been operating in Kenya for duration of 6 to 10 years, had less than 10 branches in the country, and had between 100 to 150 employees.

The study found out that majority of the Tier II Commercial Banks in Kenya set aside more than 10% of their budget for IT infrastructure, had between 41% to 60% level of computerization of activities and had a functional website or social networking page. In addition, the study found out that staff had workstations with access to the intranet and internet for communications; the organization had a dedicated IT department; the organization has integrated software to manage their funding and budget; all staff able to access essential services and perform work outside the office: and that the finance department utilized all accounting software in their operations.

In addition, the study found out that organizations utilized IT in the strategy implementation in management and corporate level with clear hierarchy of authority and practice management by objectives and consultative leadership; in establishing targeted marketing efforts; operational level resources distribution and utilization; and in vision and mission designing, documentation, and understanding. The study also found out that organization correspondence occurs both amid and after a hierarchical change to convey data about authoritative improvements to all levels in an auspicious manner and through IT there is open and supportive communication climates. The McKinsey 7-S Framework provides a powerful tool that captures the key elements that need to be effectively aligned and coordinated for minimizing challenges and enhancing effectiveness in strategy implementation. They are as the 7Cs namely: Shared values (culture), structure, strategy, skills, staff, style and systems. They're all interdependent hence; modification or ignorance of either of the elements may affect all others as well. The advantage or applying McKinsey 7-S Framework is that it is a powerful indicative instrument for comprehension associations that are insufficient, manage authoritative change, and consolidates sane and hard components with passionate and delicate components.

In addition, the study found out that organization provided precise and on time financial reports and the organization's departments were accountable and followed budget estimates and that there was reduced cost and improved efficiency and there were improved standard measures.

5.3 Conclusion

The research clinches that majority of the employees in the Tier II Commercial Banks in Kenya were supervisors, had bachelor's degree and had been working in the corporation for a period of between 6 to 10 years. Furthermore, the study concludes that majority of the Tier II Commercial Banks in Kenya had been operating in Kenya for more a duration of 6 to 10 years, had less than 10 branches in the country, and had between 10 to 20 employees. The study also concludes that majority of the Tier II Commercial Banks in Kenya set aside more than 10% of their budget for IT infrastructure, had between 41% to 60% level of computerization of activities and had functional website or social networking page.

On the other hand, the study concludes that staff had workstations with access to the intranet and internet for communications; the organization had a dedicated IT department; the organization has integrated software to manage their funding and budget; all staff able to access essential services and perform work outside the Office and the finance department utilized all accounting software in their operations. The study further concludes that organizations significantly utilized IT in the strategy implementation in management and corporate level with clear hierarchy of authority and practice management by objectives and consultative leadership; in establishing targeted marketing efforts; operational level resources distribution and utilization and in vision and Mission designing, documentation, and understanding.

The study concludes that IT enhanced strategy implementation within Tier II Banks in Kenya to a very great extent, best administration group normally prompts to more noteworthy responsibility to the association's objectives and procedures and chief's were dedicated to execution along these lines empowering staffs support and direction through consolation of entrepreneurial characteristics. The concentrate likewise infers that association correspondence is done both amid and after an authoritative change to impart data about hierarchical improvements to all levels in an auspicious manner and through IT there is open and steady correspondence atmospheres which beat those with more prohibitive correspondence situations. Lastly, the study concludes that organizations provided precise and on time financial reports and the organization's departments were accountable and followed budget estimates and that there was reduced cost and improved efficiency and there were improved standard measures.

5.4 Limitations of the Study

Every research eventually experiences restrictions because of various components. As per Mugenda and Mugenda (2003) restriction of study needs to do with process-related components that may affect the consequence of the study. The process related factors encountered included the willingness of the respondents to give the required information. Most respondents feared it is some kind of audit and may have withheld facts or exaggerated in their responses. This study was subject to both time and resource constraints. The study was also limited to the independent variable (Influence of IT) and dependent variable (Strategy Implementation of the Tier II Banks in Kenya).

5.5 Implication on Theory, Policy and Practice

From the foregoing findings and conclusions of the study, several recommendations for policy and practice are evident. Despite the fact that majority of Tier II Commercial Banks in Kenya set aside more than 10% of their budget for IT infrastructure, the study recommends that there was need for the Tier II Banks to set aside more fund for IT infrastructure so as to be relevant in today's technological world.

The study further recommends that the Tier II Banks should automate all their operations for efficient and effective management of their operations and mostly for those Tier II

Banks with many branches. Although majority of the of Tier II Commercial Banks in Kenya had functional website or social networking page, the study recommends that they make proper use of this sites to market themselves and to reach as many people as possible. They should mostly use the social network pages where majority of the youths are so as to tap their potential energy.

Despite the fact that the organizations had a dedicated IT department, the study recommends that the organization should have integrated software to manage their funding and budget and that all staff must be able to access essential services and perform work outside the office and the finance department by utilizing all accounting software in their operations. The study further recommends that there is need for circulars and other internal documents being available and fully searchable electronically within the organizations and their branches.

The study further recommends that the management of the Tier II Banks should utilize IT in the strategy implementation in human resources planning, staff training and retention, business level and objectives designing, documentation, and understanding. The study also recommends that the management of the Tier II Banks should utilize IT in enhancing overall firm success and to enhance organization's performance.

5.6 Areas for Further Research

Further research is essential as the discoveries depended on a generally little example that may have impacted the way of results that were acquired. There is have to develop the specimen size and complete comparable research in other money related foundations in the nation. The expressive examination that was utilized is dependably not adequate to make inferences on a wonder, and to give satisfactory data that can be utilized for strategy improvement.

Therefore, future studies fixating on role of IT in strategy implementation among the financial institutions in Kenya need to be carried out.

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APPENDICES

Appendix I: Questionnaire: The Role of Technology on Strategy Implementation in Tier II Commercial Banks in Kenya

Part A: General Information

1. Name of organization……………………………………………………………………

2. Your designation …………………………………………………………………

3. Indicate your highest level of educational qualification

   a) Secondary education [ ]
   b) Certificate or diploma [ ]
   c) Bachelor degree [ ]
   d) Masters degree [ ]
   e) Phd [ ]

4. How long have you worked for this organization?

   a) 1 to 5 Years [ ]
   b) 6 to 10 Years [ ]
   c) 11 to 15 Years [ ]
   d) 16 to 20 Years [ ]
   e) More than 20 Years [ ]

5. How long has your organization been operational in Kenya?

   a) 1 to 5 Years [ ]
   b) 6 to 10 Years [ ]
   c) 11 to 15 Years [ ]
   d) 16 to 20 Years [ ]
   e) More than 20 Years [ ]

6. How many branches do you have in Kenya?

   a) less than 10 [ ] b) 10 and above [ ]

7. How many employees does your organization have?

   a) Less than 100 [ ]
   b) 100 to 150 [ ]
   c) 150 to 200 [ ]
   d) 200 to 250 [ ]
   e) More than 250 [ ]

Part B: The level of influence of IT in Strategy Implementation

8. What percentage of budget is set aside for IT infrastructure?

   a) Not Sure [ ]
   b) Less than 2% [ ]
   c) 3% to 5% [ ]
   d) 6% to 10% [ ]
   e) More than 10% [ ]

9. What is the level of computerization of activities in your organization?

   a) Less than 20% [ ]
   b) 21% to 40% [ ]
   c) 41% to 60% [ ]
   d) More than 60% [ ]

10. Does your organization have a functional website or social networking page?

    a) Yes [ ] b) No [ ]

11. To what extent do the following indicators of IT investment apply in your organization? *Use a scale of 1 to 5 where 1 is to no extent and 5 is to a great extent.*

Statement	**1**	**2**	**3**	**4**	**5**
All staff have workstations with access to the intranet and internet for communications.					
All staff able to access essential services and perform work outside the Office					
All staff have been sufficiently trained on effective and efficient use of the IT facilities					
The organization has a dedicated IT department					
Each department uses customized software					
The organization has integrated software to manage their funding and budget					
The finance department utilizes all accounting software in their operations					
There are official phones both land and mobile					
All circulars and other internal documents available and fully searchable electronically					
Other IT facilities …………………………………………………………………					

12. To what extent has your organization utilized IT in the strategy implementation at the following levels? *Use a scale of 1 to 5 where 1 is to no extent and 5 is to very great extent.*

	1	2	3	4	5
Management and Corporate level clear hierarchy of authority, management by objectives and consultative leadership					
Vision and Mission designing, documentation, and understanding					
Business level					
Functional level					
Human Resources planning, staff training and retention					
Objectives designing, documentation, and understanding					
Operational level resources distribution and utilization					
Preparing annual objectives and budgets					
Establishing targeted marketing efforts					

Part C: The success of Strategy Implementation through the use of IT

13. To what extent has IT enhanced strategy implementation in your organization?

a) Very great extent [ ]
b) Great extent [ ]
c) Moderate extent [ ]
d) Less extent [ ]
e) Not at all [ ]

14. To what extent has your organization performed in the following areas? *Use a scale of 1 to 5 where 1 is to no extent and 5 is to a great extent*

	1	2	3	4	5
Top management					
Through use of IT, the top management's commitment to the strategic direction has been enhanced.					
There is manager's commitment to performance thus encouraging staffs support and guidance through encouragement of entrepreneurial attributes.					
Total organizational involvement enhances success, firm profits and overall firm success.					
Top management team typically leads to greater commitment to the firm's goals and strategies					
Organization communication					
Organization communication is done both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion					
Through IT communications clearly explains what new responsibilities, tasks, and duties need to be performed by the affected employees.					
Through IT there is open and supportive communication climates which outperform those with more restrictive communication environments					
Through IT communication plays an important role in training, knowledge dissemination and learning					
When vertical communication is frequent, strategic consensus (shared understanding about strategic priorities) is enhanced and an organization's performance improves.					
Transparency					
The organization is able to obtain audit report					
The organization's departments are accountable and follow budget estimates					
The organization provide precise and on time financial reports					
Overall quality of service					
There is improved client satisfaction					
There is improved output and flexibility of staff					
There are improved standard measures.					
There is reduced cost and improved efficiency					
There is improved satisfaction from external stakeholders					

15. Give any other valuable comments on this subject that you think are relevant but not covered by the questionnaire.

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THANK YOU FOR YOUR TIME

Appendix II: List of Tier II banks in Kenya

1. CFC Stanbic
2. NIC
3. Diamond Trust Bank
4. I&M
5. Bank of Africa
6. Family Bank
7. Ecobank
8. Housing Finance
9. Bank of Baroda
10. Bank of India
11. Citibank N.A
12. Guaranty Trust
13. National Bank
14. Prime Bank

Source: CBK (2016)