

**CONTINUOUS IMPROVEMENT PRACTICES AND EFFICIENCY
OF COMMERCIAL BANKS IN KENYA**

BY

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DECLARATION

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

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

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DEDICATION

I dedicate this research project to my loving husband Nicholus Okumu and all those who assisted me directly or indirectly in compiling this proposal. To you all I say thank you.

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ABBREVIATIONS AND ACRONYMS

ANOVA-	Analysis of Variance
CBK-	Central Bank of Kenya
ISO-	International Organization for Standardization
IT-	Information Technology
R&D-	Research and Development
R²-	R-Squared (Coefficient of determination)
RBV-	Resource Based View
SPSS-	Statistical Package for Social Sciences
QIS	Quality Improvement System
QMS	Quality management System
VIF	Variance Inflation Factor

ABSTRACT

Continuous improvement, a quality philosophy that will always ensure continued improvements and ensures a workable process that should be constantly monitored for further improvements. With main objective of the study was to determine the relationship between continuous improvement practices and efficiency. The study adapted a descriptive survey research design, which was exploratory in nature to obtain qualitative information. The target population were branch managers of 39 Commercial banks. For the study, a questionnaire was the preferred instrument for data collection and before the study was conducted, the questionnaire was pre-tested to gauge its validity and reliability. The researcher issued out 39 questionnaires and received 100% response rate. Data analysis with the help of SPSS illustrated the relationship between continuous improvement practices and efficiency of commercial banks. The findings revealed that continuous improvement practices considered in this study namely customer focus; engagement of people, quality improvement programs, leadership and factual approach to decision making had a positive relationship with organizational efficiency. Additionally, the relationship was significant at 95% confidence ($p < 0.05$) for all the five continuous improvement practices implying that they are important factors affecting organizational efficiency of banks. When the relationship between each continuous improvement practices and organizational efficiency was considered individually, factual approach to decision-making, customer focus and quality improvement programs had a strong positive correlation with organizational efficiency while engagement of people and leadership had a weak relationship with organizational efficiency. Additionally, factual approach to decision making, customer focus and quality improvement programs has been implemented to a large extent, engagement of people to a moderate extent and leadership to a small extent. The study therefore recommends that banks should improve leadership and people engagement.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Due to intense competitiveness and multiple market sectors, there has been strict policies and measures to ascertain no re-invention of the wheel (Tangram, 2005). Continuous improvement does not assume the end of a process rather it engages on ongoing process that are real and viable, it has a viewpoint that procedures, methods developments need to be progressively, assessed, and improvements effected (Bhuiyan & Baghel, 2005). Today, continuous improvement plays a vital role in day-to-day strict schedules as it emphasizes on the customer, flexibility and quality in order to survive competition. It also helps the organization to anticipate what will delight their customers in the future (Zangwell & Kantor, 1998). The skills provided by continuous improvement include waste elimination, identification of process problem areas and improvement through the focus on what and how attention to detail and customer focus (Ndlovu, 2008).

Continuous improvement being a quality philosophy system has been anchored with Resource based view (RBV) theory and system theory. The shared aims between continuous improvement and RBV has been surrounded in the belief that surviving organization will use resources and capability in a cost effective way, as they are limited (Attaran & Attaran, 2004). The relevance of the theory with continuous improvement is that for positive effects organizations have to constantly conform and align itself to the changing environment. According to Oakland (2003), organization system is influenced by variables in the environment, which in this case are factors like management commitment, people involvement training, resources and infrastructure and other moderating variables it is therefore important for organization to operate in an open system for visibility purposes.

The banking sector has been coupled with dynamic changes over the last few years. In Kenya, banks have tremendously grown in relation to increased revenue, bonds, guarantees, assets and variety services in terms of their products. However, dynamic changes such as continued growth has been a major driving force in the banking Industry in Kenya. This industry has been faced with organizational efficiency challenges, stiff competition, complex demands of real time and digital customer, the changeover from high in-house costs to more responsive and manageable service. Business environment are evolving hence banks have to change their thinking and strategy on how things are done. To stay relevant, banks need to step up their game and align their processes with the current technology and innovation. This can be achieved by continually improving internal processes and ensuring they have the right equipment that offers the right foundation that will stimulate growth and expand customer wallet share (Snykers, 2013).

1.1.1 Continuous Improvement

Continuous improvement, a quality philosophy that will always ensure continued improvements and ensures a workable process that should be constantly monitored for further improvements (Juergensen, 2005). According to Laitinen (2002), all organizations need continuous improvement at times known as ('Rapid improvement') since it helps to simplify the flow of processes. Organization that have efficient workflows save time and money, in return less wasted time and effort, besides, it constantly improves operating overhead. Continuous improvement is indeed a motivating driving force behind most efficient and effective organizations (Bourne, 2001).

Organizations need to strive at meeting difficult objectives; they should have a belief of constantly measuring effectiveness of its process in order to satisfy its customers

constitutes continuous improvement. Continuous improvement can be considered to strive to better products, services or processes. With that we tend to engage “incremental” improvement thereafter “breakthrough” improvement all at once (Bhuiyan & Baghel, 2005). The drawback in this case indicate a wholesome coordinated process of change, whereas continuous improvement is should not initiate form the top coming down , instead it should be an all-round event on all employees suggesting opinions methods that can be finally be implemented for improvements As much as firms would want to remain competitive continuous improvement attracts cost elements such as training of employees, hiring of expertise and other hidden costs, which might not be easily realized (Hofstede, 1983).

Successful firms should strive to retain their internal processes and approaches once implemented (Zeithaml & Bitner, 2000). Regular monitoring helps these firms to remain competitive amongst their rivals. The key principle of continuous improvement is the creation of a culture of continuously looking for better ways of doing thing. Culture affects the perception of the individuals and how seriously they take up the responsibilities given to them. It revolves around the values of the company, the norms, recognition and reward systems and communication between the management and employees (Guidon performance solutions, 2011).

1.1.2 Organizational Efficiency

Drucker (2011) defines efficiency as doing things the right way. According to him, efficiency demonstrates the inner fulfillment of planned objective with little available scarce resources. It is the possibility to provide a targeted volume and service with quality with minimal resources that can meet that specification, performance measures and or indicators as required. According to Godambe (1960) efficiency is a measure of

information contained in an estimating equation defined using a result he adds that productivity measures per unit or the volume as per service will assist to reduce the amount of resources used to achieve firms' objectives. Lon (1994: 19) defines efficiency as "the degree of economy where by resources, time and money are consumed in the process".

Allen Consulting Group (2013) indicate some measures with regards to efficiency such as cycle time per unit which measures from beginning to the end of the process, labor cost which measures personnel expenses to make a product, queue time per unit which measures the time taken by customer to get served. Other measurements include; poor quality cost per unit output; measures the degree of percentage of stock and the time taken before their arrival percent delivery on time delivery and turnaround of inventory. Through efficiency, organizations should able to reduce cost by using fewer inputs hence resulting to less waste of material and money while producing more outputs. Fewer errors, zero defects streamlined processes, work simplification and performing the assigned task as expected (Bennett, 2007). Mistakes that seem potential can destroy the image and reputation of business as well as hindering its progress An efficient organization will retain its stakeholders and customers as well as attract potential shareholders (Coelli, Rao, O'Donnell & Battese, 2005).

Companies should be vigilant to ensure that efficiency is their key performance indicator as it will attract more customers and hence increase their market share. It is only by being efficiency that a organization can market itself and can be a threat to other competitive companies. However, as much as efficiency relates to reduction of costs. More often than not, it becomes difficult to set costing in terms of innovation, company's debate on time taken allocate on continuous improvement the answer has always been not feasible

(Carpinetti & Oiko, 2007). Companies have to make informed decision on whether to make continuous improvement, should form part of an everyday culture or one off case, this merely depends on company's need and its cost potential savings outcome.. Besides this, it is not in most cases that the desired result will be produced as much as companies strive to do what is right and it should be in the right manner as it requires right environment and instilled culture within the organization (Laitinen, 2002).

1.1.3 Continuous Improvement and Organizational Efficiency

The concept of continuous improvement great significance has been felt in performance improvement and management of collective efficiency of firms. Manufacturing firms achieve operational effectiveness and efficiency by continuously improving their products and services through improved processes., on the job training , benchmarking, hiring of expertise and investing in modernized systems of operation. In addition, firms minimize waste and unnecessary costs within the system by empowering people with appropriate technology and skills to perform their duties (Antonelli & Parbonetti, 2002).

Increased competition has forced financial institutions to implement such initiatives as the key source of competitive advantage. These institutions look at ways to shorten the lead-time, through increased automation, new technology and streamlined processes that involve continuous improvement initiatives within the organization (Ndlovu, 2008). Continuous improvement and efficiency are key indicators that organizations need to embrace as they tap many benefits such as increased productivity, increased market share, employee involvement, and reduced rework caused by errors, reduction of waste and proper communication. Companies that are efficient in their processes will easily accept change in a dynamic environment and this will enable them to continuously improve (Khan, 2011).

1.1.4 Banking Sector in Kenya

The Kenyan banking industry has evolved over time progressively it has become the a fast paced industry in the Saharan Africa. There are currently 39 commercial banks, 2 of which are mortgage finance and 5 of them being deposit- microfinance institutions. The institution in line with, Post Office Savings Bank in Kenya, they are all formal way of banking in the Kenyan sector as it can offer service of upto 22.6 percent, this is according to Finance Access survey (Beck, Cull, Fuchs, Getenga, Gatere, Randa & Trandafir1, 2010).

Kenya's banking Industry is governed by the CBK.The banking and CBK Act get paramount guidelines from the CBK. According to CBK,the industry has supported various economic sectors through provision of loans and advances. The gross loans gone up from Ksh.1.53 in trillion in the year 2013 to Kshs 1.88 trillion in December 2014. Some of the economic sectors that benefited from this great demand for credit in 2014 were Personal/Household, Real Estate and Manufacturing. From that time todate, loan accounts and clientele deposits has been at 25,072,922 and 8,055,574 respectively (CBK, 2015).

There has been growth in terms of growth and profitability. Better performance was as a result of higher income on loans and advances and a significant inflow of foreign deposits as well as creation of employment. Other banks too have experienced stiff competition over the last few years leading to innovativeness among the players, such as mobile money transfer and new entrants into the market (Commercial Bank of Kenya, 2014).

The rise in technology and growth of internet has been on the rise as a source of delivery channel in the banking sector. The needs of customers taste, preference keep on changing and generally, the environment that the banks are operating in is changing (Lagoutte, 1996). Then came the emergence of Technology a radical technological innovation which had the potential not only to alternate the structure but also the nature of banking. It has been acknowledged that electronic business technologies are innovations that can provide the needed transformation for a business success in today's increasingly global business environment. Continuous improvement aims at focusing on the quality and strives for continued improvements, which ensures a workable process that should be constantly monitored for further improvements (Juergensen, 2005). Through continuous improvement there is an inner driving force developed by organization which makes them operate in the most effective and efficient organizations while break-through improvements serves to 'jump-start' a few of the critical processes (Bourne, 2001). This add value to the organization by allowing them to meet future customers rising expectations of product and service quality, seamless delivery and fresh innovations.

1.2 Research Problem

Continuous improvement as a focused and sustained incremental innovation on products and processes can greatly improve the productivity and efficiency in a production or service firm (Bhuiyan & Baghel, 2005). The approach requires a continued study on the existing products and services with an aim to finding areas of improvement such as bottlenecks, packaging, supply chain, cycle time, cost and quality. Culture of continuous learning is important to ensure past mistakes are not repeated and the organization can easily assimilate to changing environment (Schroeder, 2008).

The commercial banking sector in Kenya has been coupled with dynamic changes such as static evolution both locally and internationally in terms of regulations this being a major

driving force besides industry organizational efficiency challenges, stiff competition, complex demands of real time and digital customer, transitioning from high in-house costs to more agile and flexible managed service (Price Waterhouse Coopers, 2015). To appropriately address strategic and regulatory challenges, banks have to constantly improve organizational efficiency, optimize their processes in order to successfully maintain their customers (Price Waterhouse Coopers, 2015).

A review of major studies in Kenya found out that most of them focused on approaches and tools of implementing continuous improvement. However, it is evident that the relationship between continuous improvement and efficiency was ignored. Gatwiiri (2014) did a survey on approaches of continuous improvement and performance of operations among commercial banks in Kenya. Her findings indicated that through continuous improvement employees could provide excellent services and products to their customers. Muteti (2014) conducted an exploratory research design on continuous improvement and operational performance of small and medium sized manufacturing firms in Kenya, while Wachuka (2015) on her survey concluded that continuous improvement and organizational culture go hand in hand, to achieve excellence. Zangwill and Kantor (1998) analyzed the relationship between continuous improvement and learning curve, while Oprime, Sousa Mendes and Primenta (2012) surveyed on critical factors necessary for success of continuous improvement activities. Mitki, Shani and Meiri (1997) did a case study on the American –Israeli Paper Mills Corporations Limited. His findings showed that parallel Organization learning mechanism could provide the vital engine required to make continuous improvement an integral part of the organization life.

Therefore, this study sought to answer the following questions; to what extent have commercial banks in Kenya adopted continuous improvement practices? What is the relationship between continuous improvement practices on efficiency of Commercial Banks in Kenya?

1.3 Objectives of the Study

The objectives of this study were to:

- i. Establish the extent to which continuous improvement practices has been adopted by commercial banks in Kenya.
- ii. Determine the relationship between continuous improvement practices and efficiency of Commercial Banks in Kenya.

1.4 Value of the Study

Policy makers will use the findings through the government in policy formulation and development of a framework for governance purposes. In addition, the findings might help to point out areas in which state corporations can develop competencies and capabilities leading to superior performance. It is also hoped that this study will help in recognizing the fact that local environment constraints, should not hinder application of continuous improvement practices. Thus, policy makers would infer from the study on company initiatives especially in the banking sector in promoting lean practices to enhance efficiency. The study will enable the policy makers to be aware of the effects of in efficiencies on performance on banks. This study will benefit the government and bank officials especially the think tanks in managing and streamlining the operations of banks, which will enhance efficiency by curbing wastages hence creating more employment, use of resources optimally and better standardized performance based on lean practices.

Practitioners will use the findings to implement-to-implement initiatives such continuous improvement as the key source of competitive advantage in the banking sector due to increased competition in the financial institution. These institutions look at ways to shorten the lead-time, through increased automation, new technology and streamlined processes that involve continuous improvement initiatives within the organization. Success factors and approaches drawn from the study will assist the banking sector to appreciate various concepts used in their operations and recommend its implementation, for the benefit of its stakeholders and competitiveness.

Academicians who are researchers will use the findings to add to the body of knowledge and provide background information to those who would wish to further conduct research in this area. The findings will broaden their understanding on continuous improvement and might attract other researchers to venture further on approaches that have not been studied in African Context. Thus, the study will contribute and instill knowledge to the existing literature, making it a valuable tool for academicians, institutions, corporate managers and those would like to know more about the continuous improvement practices nexus.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter focuses on the conceptual, theoretical and empirical framework concerning effects of adoption on continuous improvement, its benefits in various logistical scenarios locally and internationally. Practices of continuous improvement were derived from ISO 2000 such as customer focus, process approach, employee engagement, quality improvement programs, Top leadership initiative and decision-making. The study also considered theories supporting continuous improvement such as resource based view and system theory. The whole essence of this study was to establish the relationship between continuous improvement practices and efficiency in the banking industry.

2.2 Theoretical Review

This study is anchored on several theories, which include resource-based view and system theory. These theories will be used to show the relationship between continuous improvement and efficiency.

2.2.1 Resource Based View

According to Prahalad, Hamel and Barney (1990), RBV is an approach to identify core competencies that are critical for a business to achieve competitive advantage. The proponents of this view argue that organizations should scrutinize their internal resources that yield competitive advantage instead of concentrating on competitive environment. According to RBV, organization should scrutinize their internal resources that yield competitive advantage instead of concentrating on competitive environment. Continuous improvement and RBV have commonality in this manner that organizations exist within

resources and capabilities that are both limited, therefore those organization surviving will tend to use these resources in a cost effective manner. This will be achieved by maintaining optimum levels, which will in turn create competitive advantage. Ultimately, for organization to have distinct competitive advantage, they need to have capabilities, which are rare can produce value, imitable and can be exploited by the organisation (Attaran & Attaran, 2004).

Resource Based View argued that for firms to be termed superior their performance should be as a result of accumulation of resources and capabilities that are rare, valuable, and difficult to imitate (Barney, 1991). Continuous improvement therefore is a fundamental philosophy focusing on resources that are heterogeneous in nature and that employees can use resources more efficiently and effectively and provides tailored solutions in solving specific organizational problems that are perfectly mobile and can sustain a firm above average returns (Valiris, 2004).

In this research, we would like to apply the resource based view of the firm by Barney (1991) as a means that commercial banks use to gain competitive advantage by utilizing and optimizing resources internal to the banks such as human resource, assets, customer data and technology to create more value for their customers. A firm owns resources that can assist to achieve distinctive advantage or superior long-term performance. A firm will achieve competitive advantage by engaging its activities which will in turn increase efficiency or the effectiveness and that are not being adopted by its rivals and in this case, we are referring to the data generated by customers in commercial banks. It is also worth noting that competitive advantage is called sustained if an organization's competitors are not able to duplicate the strategy.

The resource based view theory argues that not all resources are strategically relevant but also considers that resources can provide sustainable competitive advantage if they are rare, inimitable, valuable and non-substitutable for example each transport and logistics firm has data that is generated from its customers including systems as unique to it fitting within the Valuable, Rare, Inimitable, Non-substitutable (VRIN) framework (Barney, 1991)

2.2.2 Systems Theory

Systems theory offers frameworks to describe and analyze groups of objects. The theory acknowledges the important role of employees as well as other organizational variables, emphasizing that real systems are open to and interact with their environment, this means they can get qualitatively new products and property through emergence, whose output is in in continuity in evolution as proposed by Biologist Ludwig Von Bertalanffy in 1928.. Therefore, even though departments may appear different, seemingly function differently, they should all operate in unity for the common good of the overall organization to obtain the optimal goal hence continuous improvement should be aligned to organization system influenced by variables in the environment which in this case are factors like management commitment, people involvement training, resources and infrastructure and other moderating variables (Oakland, 2003).

Daniel and Reitsperger (1991) observed that organizations that have their technical, administrative and social resources deployed in a coordinated and integrated system were observed to optimize on effectiveness and efficiency of their processes resulting in improved quality, productivity, cost effectiveness, product flexibility and timeliness.

2.3 Continuous Improvement Practices

According to Taylor and Wright (2003), a combination of factors will determine the success or failure in the establishment and failure of quality systems in an organization. Bessant, (1994) observed that continuous improvement had huge benefits, as it does not require high capital, and employees' ideas and skills can be easily utilized. Woods (1997) stated that through continuous improvement employees enjoy benefits such as healthy working conditions, contented clientele and higher Monetary yield Martichenko, (2004) indicated that firms that do not adopt continuous improvement are likely to face variable systems in terms of re-arranging the organization, the structure, streamlining including activities within the management and the methods that will elate the delegate to feel they are on the right track. The key continuous improvement variables are; customer focus, engagement of people, process approach, and quality improvement programs top leadership initiative and Evidence based on decision-making.

2.3.1 Focus on Customer

The main underlying principle under quality management is that the product is as per the agreed needs and have surpassed the clientele expectations. This sustainability can only be termed as progressive and successful when organization objectively acquire and sustain the assurance of its clientele and favorable prospective parties (ISO, 2000:9001). The process of service delivery in firms are as a result of connections which either its outcome either a product or a service could be offered to the end user must add value to them (Berman & Evans, 2013). The result is that one action (the process) on the other hand distresses the other entity (the end consumer). For example, all the clients' grievances are comparable to process disparity. However suppose the variation does not conform to standards it will finally distress the quality of the final product or service.

For that reason, it is paramount to track records of such so that customer complaints then adjust where necessary. Some of the key indicators in relation to products that drive customer satisfaction are reliability, aesthetics, adaptability, usability, functionality and appropriateness in relation to products. Some major driving signs and indicators for services are hospitable/kindliness of workers, security/threat of provision, presentation of billing process, time taken to respond to queries, availability at the site, how accommodative the provider is, level of empathy and listening skills, loyalty and clear language on communication. Thus, customer focus is where value is delivered to customers by asking them directly what satisfies them (Berman & Evans, 2013; Cravens & Piercy, 2013).

The more an organization interacts with the customer the more the opportunity to build relationship and create further value and with that particular customer. It is paramount for

an organization to clearly understand what the customer requires in terms of current and future needs. There could be interested parties on the other hand who also contribute to sustainable realization of the firm that accrue when organization concentrate on customer focus are rise in clientele value, upsurge on customer contention, better customer loyalty, enriched repeat business, developed corporate image of the firm and stretched customer base Increased income and market share (ISO,2001). More importantly, banks should adopt to market driven strategies so that they are able to articulate the market as well as the clientele as this ultimately grab a share of market segment for developing products and services that will inturn meet the needs of the final customer (Berman & Evans, 2013).

2.3.2 Engagement of People

Organizations should strive to engage its employees to be competent, and empower them at all cost at all levels, it is the responsibility of the organization to distribute its capability in order to create, to deliver items that will be of good value. For proper management organization need to strive to engage its employees at various level not only effectively but efficiently. Besides this there should be mutual respect among individuals in the organization (ISO 2000). The kind of involvement should be well designed and planned for greater autonomy in creation of decision enhances company performance (Powell, 1995; Yildirim, 2012). Employee empowerment and engagement are components that can affect the performance of the organization and the results of an industry (Abdullah, Uli & Tari, 2009; Schroeder, 2008; Wehnert, 2009). According to them, the contribution summed up with involvement of employees has led to speeding up the progression of continuous improvement. In turn, this has elevated obligation, self-sufficiency and innovativeness, that will ultimately lead to organization invention. The involvement of employee has an affirmative impact on innovation and operational efficiency (Bon & Mustafa, 2013).

When employees are recognized and empowered, they enhance a sense of competence, which facilitate the engagement of people in achieving the firms quality in terms of objectives. Enhanced focus and understanding of the of the firms quality objectives, increased motivation to achieve them, enhanced involvement of people in improvement activities, enhanced personal development, initiatives and creativity, people contention, heightened unity as well as collaboration summed up with trust and teamwork throughout the organization, upsurge focus to shared values, and culture within organization (ISO 2000:9001).

2.3.3 Process Approach

Process approach is referred to the interactions between processes that are systematic, identifiable and its management employed in the organization (ISO, 2000:9001; Pokorni, 2004). When activities within the organization are comprehensible it is easier for management to be consistent in terms of predicable outcome which are achieved effectively and efficiently that function as a whole system. The QMS is considered to include interrelated process, thus when the outcome of this system is understood organization will be able to boost the system and its performance (ISO, 2000). The requirements as per ISO 9001 follows a step by step approach with their actions there are examples on how firms select shape and govern the procedures of QMS. Plan Do Check Act (PDCA) is a cycle that can be used to check on the performance and management of the system. (ISO 9001:2015).

The benefits that accrue are improved focus on major processes and their opportunity, coupled by consistency and predictable outcomes through, a aligned process system, proper performance by being effective, management of processes, the use of resources efficiently, need for reduced barriers that are cross-functional, organization providing

confidence, to interested parties as to bring about consistency, which in turn yield effectiveness and efficiency (ISO, 9001). QMS consists of vast procedures, all summed up through input-output relationships. In order to develop a management system based on quality that will target ISO 9001:2000 standard, one need to grow and develop, document, adopt, constant monitoring and better processes (Pokorni, 2004).

2.3.4 Quality Improvement Programs

Reed, Lemak, Montgomery (1996) describe quality as both producing products to specification and meeting customers' expectations. Meeting the needs and expectations of customers is a key input to continuous improvement (Reed et al., 1996). In line with this, Easton & Jarrel (1998) describe product and service quality as emphasis on customer requirements and customer satisfaction. Hendricks & Singhal (2001) states that for customers to be satisfied and loyal the end products produced have to be of very high standards. According to Mehra (2001) quality will depend on what is demanded by the customer and the its also dictated by the dynamic in the market. Chong & Rundus (2004) indicate that when organization focus on at all cost in processes and production will improve as well as the quality of service, the ultimate goal will be customers will be satisfied. Therefore, the focus on quality throughout the organization should be the main principle on continuous improvement. In general quality has no definite definition, however the further states that the focus on quality is on meeting the needs and requirements of the clientele in addition to high and standard quality products.

Without improvement, organization are unable to react to changes in its internal as well as external environs therefore it is important for firms to maintain status of present levels in terms of performance in order to create new opportunities. Benefits that accrue from

adopting quality improvement programs are enhanced performance and processes improved organizational capabilities which result to a happy and satisfied customer, Developed focus especially on the on root-cause analysis and determination, protective and remedial actions, improved, the extent to which we anticipate and be able to react to risks and opportunities both internal and external (ISO 9000:2008)

2.3.5 Top Leadership Initiative

TPI are essential element that positively contribute to progressiveness of continuous improvement adoption. In general managers require skills that can help them to do proper leadership; the knowledge on executive-quality leadership, prioritization, diverse knowledge of systems, diverse knowledge with regards to quality, and high end knowledge of change management (Antonaros, 2010). Leaders require these skills in order for continuous improvement implementation practices to be deemed more successful (Antonaros, 2010; Bon & Mustafa, 2013). Through leadership, the focus on quality and innovation is driven, responsibility and roles for each team are defined, in order to make the ultimate decision with regards to resource. Expectations have to be set by the senior team and this has to be clear this will in turn result to balancing between innovation and processes, decentralization and. Without strong leadership, companies suffer as the frustration is clearly seen on hostile relationship between functional bars and teams that are striving to be innovative (Govindarajan, Kopalle, & Danneels, 2011).

Managers should constantly reinforce continuous improvement at all cost and demonstrate active commitment to, and leadership of, continuous improvement throughout the organization. Leaders shall take responsibility to initiate continuous improvement methodologies and not delegate to the quality assurance department (Caffyn, 1999). Top management is the pillar to continuous improvement and without

their full support and commitment, its initiative is bound to fail. Top management should thus spearhead continuous improvement projects and activities instill positive attitude towards continuous improvement practices empowering employees with excellent performance and equality in problem solving (Stephens, Shah & Wang, 2014). Cohen and Bailey's (1997) enhances the indicators of teamwork as proper communication, group unity, responsiveness in terms of clarification based on feedback and focus on organization vision. Therefore, in conclusion, top management commitment is an important element to practice for an effective continuous improvement practices. Top management commitment will be at the backbone and major driver on continuous improvement. Besides, it is a key element when it comes to individual involvement, quality and customer satisfaction within and across the entire organization.

2.3.6 Evidence based on Decision Making

Decision-making brings about lots of uncertainty, which are always complex and procedural, more often than not it entails numerous categories and avenues which are subjective and the inputs can be interpreted differently. Cause and effect are relationships that are of important and need to be understood besides unintended potential consequences. Decisions based on facts, combined with evidence and data analysis more often than not lead to confidence and heightened objectivity in making decisions (Davies, 2004). The benefits that accrue are better processes in decision-making, enhanced assessment of performance in terms of processes and capability to attain achieve objectives, enhanced effectiveness and efficiency operational wise, an upsurge ability to review, ability to try and manipulate thoughts and prompt decisions, an upsurge to validate effectiveness of historical decisions (Banks, 2009).

Information gathering with regards to customers and competitors and further analysis presents useful results that can be utilized to increase services and products quality (Hoang, Igel & Laosirihongthong, 2010; Ibrahim, Amer & Omar, 2011). Information and analysis has positive impact on innovation. Organizations look for innovation for different motivations and reasons. Banks should invest in R&D or market research; incubation of ideas; new product development and installation of new IT infrastructure.

2.4 Empirical Review

Continuous improvement is a contemporary methodology intended for companies striving for operational excellence (Arnheiter & Maleyeff, 2005). Even though continuous improvement practices have received tremendous changes over time below are studies divided into two sections those pointing out critical success factors of continuous improvement adoption and studies looking at relationship between continuous improvement and efficiency.

Wachuka (2013) undertook a survey on Kaizen sustainability and operational performance of manufacturing firms in Mombasa County. Her findings revealed that continuous improvement and organizational culture go hand in hand, as they seek to achieve excellence through reduction of cost, in turn increase productivity, employees' retention as a result of doing the right thing. First, this study was done in manufacturing firms whereas the current study is targeted at commercial banks. Second, the study established a connection between continuous improvement and organizational culture while the present study looks at continuous improvement and operational efficiency. This study did not identify the specific continuous improvement practices that enhances performance and brings about efficiency a gap the present study sought to fill.

Gatwiiri (2014) did a survey on continuous improvement approaches and performance of operations among commercial banks in Kenya. She established that continuous improvement provides a benchmark for employees to continuously look for better ways of doing things to provide excellent services and products to their customers, hence creating a positive relationship between continuous improvement approaches and operation performance among commercial banks in Kenya. Whereas this study looked at continuous improvement approaches and tools of implementing continuous improvement, it ignored the relationship between continuous improvement and operational efficiency, which the present study sought to fill.

Muteti (2014) carried out a research on continuous improvement and operational performance of small and medium sized manufacturing firms in Kenya. From the study findings, the researcher concluded that continuous improvement and quality management programs have resulted in better marketing management processes, improved customer relations management, increased productivity and minimal customer complaints. Just like the above two studies, this study by Muteti (2010) looked at continuous improvement approaches and tools of implementing continuous improvement, it ignored the relationship between continuous improvement and operational efficiency which the present study sought to fill. In addition, this study looked at the connection between continuous improvement and quality management programs whereas the present study analyzes the link between continuous improvement and operational efficiency.

Oprime, Sousa, Mendes and Primenta (2012) did a survey on critical factors necessary for success of continuous improvement activities. The findings showed that leadership, employee involvement, reward and support motivation, problem solution models and

skills cooperation and integration are among the critical success factors necessary for continuous improvement activities. This study differs from present study since it analyzed success factors in continuous improvement implementation whereas the current study establishes a link between continuous improvement and operational efficiency.

Karen, Antony and Douglas (2007) did a survey on critical success factors of continuous improvement in the public sector. The key factors were management commitment, customer management, supplier management, training, learning, employee empowerment and communication. This study just like Oprime et al. (2012) differ from present study since it analyzed success factors in continuous improvement implementation whereas the current study establishes a link between continuous improvement and operational efficiency. The study was done in public sector whereas the present study is done in the banking sector.

Mitki et al. (1997) did a case study on the American –Israeli Paper Mills Corporations Limited located in Israel with the objective of identifying role that organization learning mechanism played in continuous improvement activities. Their findings showed that parallel organization learning mechanism could provide the vital engine required to make continuous improvement an integral part of the organization life and thus improve efficiency. Mitki's (1997) study was limited to organization learning while the present study included other factors such as customer focus and employee engagement. The present study also established a link between continuous improvement and operational efficiency, which Mitki's (1997) study did not handle.

2.5 Summary of Literature Review

This study is underpinned in, resource-based view theory and the system theory. The relevance of RBV theory with continuous improvement is that organizations should

constantly conform and align itself to the changing environment. Whereas the relevance on system theory and continuous improvement is that organization should operate in an open system so that the it can relate itself with variables within the enviroment. Continuous improvement in service has received tremendous changes since the industrial period. Companies are striving towards adoption of continuous variables such as customer focus which helps to understand the needs of customers, engagement of people in order to meet organization objectives collectively, process approach for optimum use of resources and efficiency, quality improvement programs for sustainability and evidence based on decision making for future monitoring and evaluation.

Continuous improvement is important because it seeks to improve products, services or processes, which in turn improves competitive position. Most of the studies cited in the literature are conducted in developed countries whose strategic approach and financial footing is different from that of Kenya besides, studies in Kenya covered the concept and its methodology of continuous improvement. There is therefore a literature gap in the relationship between continuous improvement practices and organization efficiency in CBK, which this study seeks to fill.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlined the methodology and tools used to gather and analyze data. It was structured to describe research design, target population, collection, and operationalization of research variables and data analysis techniques.

3.2 Research Design

This study adopted a descriptive survey research design in collecting data from the respondents. According to Cooper and Schindler (2006), descriptive survey design discovers and measures cause and effect relationships among variables. It enables the researcher to collect in-depth information about the population being studied. This design was preferred as it there was a surety of total description of the situation, hence minimal bias in the research process (Kothari, 2008).

3.3 Study Population

The study population of interest commercial banks in Kenya. According to 2015 CBK's banking survey, there are 39 commercial banks. A census on all the commercial banks was undertaken.

3.4 Data Collection

This study relied on primary data collection methods, which were used for data collection. This is because there is greater control over how information is collected. The primary data was collected using a semi-structured questionnaire shown in appendix 2. The questionnaire was divided into three parts, that is, part A and part B and Part C. Part A sought bio data on company and briefly on respondents, Part B covered the scope of continuous improvement practices in the banking sector and Part C sought data on efficiency. Drop and pick method was used to administer the questionnaires to the branch managers of respective banks. The response was received from one respondent per bank.

3.5 Operationalization of Research Variables

The variables were operationalized as shown in table 3.1

Table 3.1: Operationalization of Research Variables

CONSTRUCT	INDICATORS	SOURCES	MEASUREMENT SCALE
Continuous Improvement Practices (Independent Variable) Customer Focus	Firms need to understand its clientele's current, future and their expected needs; There should be sustainable relationships with clientele that will lead to success; Communicating customer needs and expectations throughout the organization; Ability to link organization objective	ISO Annual Report (2000)	Ordinal 5 point Likert Scale
Engagement of People	Promoting teamwork and collaboration in the organization; Empowering people to establish constraints to performance and take initiative fearfully; Enabling self-evaluation of performance against personal objective; promoting an in depth relationship especially on the contribution of the individual	ISO Annual Report (2000);(ISO 9000;2000)	Ordinal 5 point Likert Scale
Process Approach	Defining objectives of the system and processes necessary Discover the system of authority, level of hierarchy and self-drive for being accountable for managing process; Analyzing the effect of modification to individual processes on the system as a whole;	ISO Annual Report (9001)	Ordinal 5 point Likert Scale
Quality Improvement Programs	Promoting, establishing those objectives that can be implemented at all functions of the organization; all employees should be trained at all levels on the importance of applying basic tools and practices in order to achieve improvement objective; People can only be successful if they are competent and are able to complete projects successfully; recognize and acknowledge improvement.	ISO Annual Report (2000)	Ordinal 5 point Likert Scale
Leadership	Encourage an organization –wide commitment to quality; Establish a culture of trust and integrity; Ensuring that leaders lead by examples at all levels within the organization, and to ensure that people have resources to use as well as encourage and reward employees contribution.	ISO Annual Report (2000)	Ordinal 5 point Likert Scale
Factual Approach to decision making	Makin decisions and taking actions based on evidence; Ensuring that people are competent to analyze and evaluate data; Analyzing data using suitable method; Ensuring that all the information is readily available and to the right and relevant people ,also ensuring that the data is secure, accurate and relevant for interpretaion.	(ISO 9000)	Ordinal 5 point Likert Scale

Organization Efficiency	Ensuring low warranty costs; zero defects; streamlined process and less waste of resources; increased market share; fewer customer products	(Drucker, 2011)	Ordinal 5 point Likert Scale
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3.6 Data Analysis

The process of data analysis will initiate after data has been collected and ends at interpretation and processing of data (Kothari, 2004). Thereafter the process of editing, coding, classifying and tabulating are the used to process the collected data for further analysis. The statistical package for social sciences (SPSS) was also used to analyse the data. Thereafter data was analyzed using descriptive statistics.

Objective 1 used descriptive statistic to analyze the data. The mean was used to analyze information, which related to the extent to which continuous improvement practices has been adopted by commercial banks in Kenya.

Objective 2 used regression analysis to determine the relationship between continuous improvement practices and efficiency in the banking industry. This was determined by analyzing the two variables and getting a correlation coefficient to measure the linear significance of two-attributes. The use of correlation analysis was finally conducted to establish the strength of the relationship between the dependent variable and independent variables.

The regression model being:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \varepsilon$$

Where: Y = Organizational efficiency of the commercial banks

β_0 = Constant Term;

$\beta_1, \beta_2, \beta_3 \dots \beta_8$ = Beta coefficients;

X_1 = Customer focus;

X_2 = Engagement of people

X_3 = Quality improvement programs

X_4 = Top leadership initiative

X_5 = Evidence based on decision making

ε = Error term

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter puts forward the data analysis, presentation and interpretation of findings on the data collected from banks in Mombasa. It was to determine the the impact of continuous improvement practices on organizational efficiency of CBK .The data was interpreted as per the research objectives. The analysis was divided into three sections. 4.2 presents a detailed descriptive analysis of the data, 4.3 presents the findings; 4.4 details the relationship between continuous improvement practices and operational efficiency then 4.5 presents the regression results (inferential statistics). The model in of the study showed the relationship between continuous improvement practices and operational efficiency.

4.2 Response Rate

The research was done by sending out 39 questionnaires to selected bank managers and the all of them were received and analyzed. This represented 100% response rate, which was considered a success. In addition, the minimum t sample size of 10% had been surpassed assuggested by Gay (2005), 30% considered acceptable by (Stanley & Gregory, 2001; Kothari, 2004).

4.3 Demographics of the Banks

This section looks at the bio-data of the respondents and their organizations. The data includes years of experience in the industry, period their organizations have existed, length of time with current employer and level of education.

4.3.1 Numbers of Years of Existence of the Organization

The researcher asked the respondent to indicate how long the organization has existed. Table 4.1 below presents findings.

Table 4.1: Period of Existence

	Frequency	Percent
Below 5 years	0	0
5-10 years	0	0
10-15 years	0	0
15-20 years	21	53
Above 20 years	18	47
Total	39	100

Source: Researcher (2016)

As shown in table 4.1, majority of the respondents (53%) stated that their organizations had been existence for 15-20 years. This was followed by 47%, which had been in existence for more than 20 years. This shows that most commercial banks in Kenya have existed for more than 15 years and are in a position to or have adopted continuous improvement practices to enhance organizational efficiency.

4.3.2 Length of Time With Current Employer

The researcher asked the respondents to state the duration of stay indicate number of years worked in their current organizations. The researcher believed that experience in the industry and organization measured in terms of years worked can be equated to better understanding of continuous improvement practices and efficiency. Table 4.2 presents findings.

Table 4.2: Length of Time With Current Employer

	Frequency	Percent
Below 5 years	0	0
5-10 years	21	53
10-15 years	8	21
15-20 years	10	26
Above 20 years	0	0
Total	39	100

Source: Researcher (2016)

From the table 4.2, most of the respondents (53%) stated they had worked with their current employers for between 5-10 years. This was followed by 26% who had worked for 15-20 years and finally 21% who had worked for 10-15 years. The results indicate that the respondents had enough experience to understand continuous improvement practices in their organizations.

4.3.3 Respondents Education Level

The researcher requested the respondents to state education level. The Table 4.3 presents the findings.

Table 4.3: Respondents Education Level

	Frequency	Percent
Certificate /Diploma	7	18
Bachelors	21	54
Masters	11	28
Doctoral	0	0
Others, please specify	0	0
Total	39	100

Source: Researcher (2016)

As shown in table 4.3, majority of the respondents (21) had acquired a bachelor’s degree followed by those who had Masters at 11 then those with certificate/diploma at 7. The results indicate that the respondents had adequate knowledge to answer questions relating to continuous improvement practices in their organizations.

4.3 Continuous Improvement Practices

This section analyzes the questions addressed to the bank officers in relation to continuous improvement practices in their organizations. The questions addressed various practices namely customer focus, engagement of people, quality improvement programs, leadership and factual approach to decision making. The respondents were asked to indicate the extent to which their organizations had implemented the mentioned continuous improvement practices. The results were measured on Likert’s scale of

between 1-5 where 1=not at all, 2=to a small extent, 3=to a moderate extent, 4=to a large extent and 5=to a very large extent.

The rating of very low extent and very low extent represented a component with an influence a small extent (S.E) equivalent to a mean score of 0 to 3.0 on a likert scale; ($0 \leq S.E \leq 3.0$). Scores of moderate extent (M.E) were taken to represent a component that had an influence to a moderate extent (M.E) equivalent to a mean score of 2.1 to 4.0 on the continuous likert scale: ($3.1 \leq M.E \leq 4.0$). The scores for both great extent and very great extent were taken to represent a component which had an influence to a large extent (L.E) equivalent to a mean score of 4.1 to 5 on a continuous Likert scale; ($4.1 \leq L.E \leq 5.0$).

4.3.1 Customer Focus

The study was to establish the extent to which customer focus had been implemented in the banks Results are shown in table 4.4.

Table 4.4: Customer Focus

	Mean	Std. Deviation	Rank
Understanding customer's current needs.	4.45	.46374	3
Ensure relationships are managed well in order for customers to acquire sustainable success.	4.17	.47626	4
Organization should segregate its customers and recognize them especially those who have received value from the firms.	4.55	.38156	2
The needs summed up with expectations should be aligned to organization mission and objective..	4.56	.45443	1
Overall mean	4.43		

Source: Researcher (2016)

As shown in table 4.4, the study found out that linking organization objective to customer needs and expectations (mean: 4.56) had been implemented to a great extent. This means that commercial banks have high customer focus where needs and expectations of customers form part of overall objectives. The study found out that recognizing those

direct and as well as indirect clients especially those that have received value for their money from the firms (mean: 4.55), understanding customer's current needs (mean: 4.45) and managing relationships with customers to achieve sustained success (mean: 4.17) have also been implemented to a great extent. The overall mean for customer focus was 4.43, which show that banks place emphasis on customer focus to a large extent.

4.3.2 Engagement of People

The study was to determine establish the Outcome as per table 4.5

Table 4.5: Engagement of People

	Mean	Std. Deviation	Rank
Promoting collaboration of departments throughout the organization.	5.00	.54536	1
Employees need to be empowered in order to self-drive challenges and take the lead in terms of initiatives and performance without fear.	4.10	.67346	2
Enabling self-evaluation of performance against personal objective.	3.10	.38166	4
Promoting and appreciating the inner feeling of other employees contribution	3.12	.55343	3
Overall mean	3.83		

Source: Researcher (2016)

As shown in table 4.5, the study found out that promoting collaboration of departments throughout the organization ranked as number 1 with a mean of 5.00. This shows that commercial banks had realized the importance of interdepartmental collaboration as part of enhancing organizational efficiency. Empowering employees to self-drive constraints and take the lead in terms of performance and initiative without fear ranked second among engagement of people factors with a mean of 4.10 then promoting and appreciating the inner feeling of other employees contribution with a mean of 3.12 then enabling self-evaluation of performance against personal objective with a mean of 3.10. This shows that banks under study engage people through enhancing departmental collaboration and empowering employees to face difficulties of uncertainty without fear.

Additionally, the overall mean for engaging people was 3.83, which show that the banks under study had implemented engagement of people as part of continuous improvement to a moderate extent.

4.3.3 Quality Improvement Programs

This study sought to find out the extent to which the respondents’ agree that their organizations have implemented quality improvement programs. The outcome as per table 4.6.

Table 4.6: Quality Improvement Programs

	Mean	Std. Deviation	Rank
Promoting and ability to discover ways in which organization can go to higher levels due to improvement.	4.67	.66544	2
Training employees at all cost on basic methodologies and procedures in order to achieve improvement objectives.	4.53	.37728	3
Enabling self-evaluation of performance against personal objective.	4.25	.68376	4
Ensuring that employees are industrious to enable them complete projects that were once initiated.	4.68	.65543	1
Overall mean	4.53		

Source: Researcher (2016)

As shown in table 4.6, the overall mean for implementing quality improvement programs in the respondents’ organizations was 4.53 which show that commercial banks had implemented quality improvement programs to a large extent. When individual factors under quality improvement programs were considered, ensuring people are industrious to enable them complete projects that were initiated project with a score one with a mean of 4.68 and enabling self-evaluation of performance against personal objective ranked last with a mean of 4.25. The findings thus reveal that all factors under quality improvement programs namely enhancing people’s competency, promoting self-evaluation, training and establishing improvement objectives had been implemented to a large extent.

4.3.4 Leadership

This researcher sought to determine the extent to which the respondents' agree that their organizations have implemented leadership principles. The outcome as per table 4.7.

Table 4.7: Leadership

	Mean	Std. Deviation	Rank
Ensuring that top leaders show examples to their juniors and impact in a positive way and to the organization as a whole.	2.77	.47667	2
Providing people with required resources.	2.37	.64765	3
Encouraging an organization wide –commitment to quality.	4.13	.69445	1
Inspiring, encouraging and recognizing people's contribution.	2.16	.54675	4
Overall mean	2.86		

Source: Researcher (2016)

As shown in table 4.7, the overall mean for implementing leadership principles in the respondents' organizations was 2.86. This implies that commercial banks had implemented leadership principles as part of continuous improvement to a small extent. When individual factors under leadership were considered, encouraging an organization wide commitment to quality ranked first with a mean of 4.13 followed by ensuring that top leaders show good examples to their juniors and impact in a positive way and to the organization as a whole. with a mean of 2.77. Providing people with required resources ranked third with a mean of 2.37 and finally inspiring, encouraging and recognizing people's contribution ranked fourth with a mean of 2.16. Thus, overall, the results show that implementation of leadership as part of continuous improvement in the commercial banks had been done to a small extent. The results mean that commercial banks focus on quality as a way of enhancing organizational efficiency.

4.3.5 Factual Approach to Decision Making

The study also sought to establish the extent to which the respondents' agree that their organizations have factual approach to decision making. Results are shown in table 4.8.

Table 4.8: Factual Approach to Decision Making

	Mean	Std. Deviation	Rank
Making decisions then taking actions based on evidence.	4.85	.7130	3
Ensuring that people are competent to analyze and evaluate data.	4.17	.5786	5
Analyzing data using suitable method.	4.55	.5376	4
Ensuring the information with regards to date is reliable, secure as well as sufficiently accurate.	4.91	.4766	2
Making all data available for the relevant people.	5.00	.6346	1
Overall mean	4.70		

Source: Researcher (2016)

Table 4.8 shows the results for factual approach to decision making. The overall mean for implementation of factual approach to decision making was 4.70, which show that banks had implemented fact-based decision making to a large extent as part of continuous improvement. This implies that commercial banks under study base their decisions on facts more importantly, making all data available for the relevant people ranked first with a mean of 5.00 followed by ensuring the information with regards to date is reliable, secure as well as sufficiently accurate with a mean of 4.91. It can be deduced that data is a key ingredient for banks continuous improvement as a way of enhancing organizational efficiency.

4.3.6 Summary Overview on Continuous Improvement Practices

Descriptive data was used to give an overview in summary form. The researcher requested the respondents to rate agreement with agreed statements related to continuous improvement practices on a Likert's scale of (1-5) The results are presented in table 4.12 along with standard deviations.

Table 4.9 Descriptive statistics on Continuous Improvement

Main Variables	Mean	Standard .Dev	Rank
Customer focus	4.43	.476	3
Engagement of People	3.83	.447	4
Quality Improvement Programs	4.53	.494	2
Leadership	2.86	.347	5
Factual approach to decision making	4.70	.647	1

Source: Researcher (2016)

Table 4.9 shows that factual approach to decision making was scored high with a mean of 4.70 and the responses deviated from the mean by a standard margin of 0.647. This was followed closely by quality improvement programs with the mean of 4.53, with standard deviation of 0.494, followed by customer focus with a mean of 4.43 and a standard deviation of 0.476 and finally engagement of people with a mean of 3.83 and a standard deviation of .447 respectively. This ordering could be interpreted to mean that factual approach to decision making constituted the most significant continuous improvement practice that affects organizational efficiency in the banking sector followed by quality improvement programs then customer focus, engagement of people and finally leadership. The results also show that the banks should improve on engagement of people and leadership as a way of enhancing organizational efficiency.

4.5 Continuous Improvement and Organizational Efficiency

This section sought to determine the relationship between continuous improvement practices on efficiency of Commercial Banks in Kenya. The respondents were asked to indicate the extent to which their organizations have experienced the following outcomes as a result of adopting continuous improvement practices. The results were rated on Likert's scale of 1-5 where 1=not at all, 2=to a small extent, 3=to a moderate extent, 4=to a large extent and 5=to a very large extent. Table 4.9 shows the results.

Table 4.10: Continuous Improvement and Organizational Efficiency

	Mean	Std. Deviation	Rank
Employees striving to do the right thing in the right manner resulting to fewer mistakes.	4.17	.6230	2
Streamlined organization processes.	5.00	.4576	1
Reduction of waste.	2.77	.3486	5
Seamless operations.	3.21	.6756	4
Increased Productivity as a result of zero defects.	3.88	.5356	3
Continuously improving products and services.	5.00	.5676	1
Overall mean	4.01		

Source: Researcher (2016)

As shown in table 4.9, the overall mean for the impact of continuous improvement on operational efficiency was 4.01. This implies that the respondents had recognized the fact that continuous improvement impacts on operational efficiency to a great extent and continuous improvement practices had been implemented. Overall, the results indicate that continuous improvement has a huge influence on operational efficiency in the Kenyan commercial banks.

Table 4.11: Continuous Improvement and Organizational Efficiency

Bank	Y	X ₁	X ₂	X ₃	X ₄	X ₅
1	4.04	4.06	4.08	4.1	4.11	4.13
2	4.06	4.08	4.11	4.12	4.14	4.15
3	4.08	4.12	4.15	4.14	4.16	4.17
4	4.11	4.15	4.18	4.16	4.19	4.21
5	4.14	4.18	4.21	4.23	4.24	4.26
6	4.16	4.18	4.23	4.25	4.26	4.28
7	4.19	4.2	4.26	4.28	4.31	4.33
8	4.21	4.23	4.28	4.31	4.33	4.36
9	4.25	4.26	4.31	4.33	4.35	4.37
10	4.27	4.28	4.33	4.37	4.39	4.39
11	4.29	4.31	4.33	4.35	4.37	4.41
12	4.31	4.33	4.36	4.36	4.38	4.42
13	4.33	4.36	4.38	4.39	4.41	4.43
14	4.36	4.38	4.41	4.41	4.44	4.46
15	4.39	4.41	4.43	4.43	4.47	4.48
16	4.41	4.43	4.46	4.47	4.49	4.49
17	4.43	4.45	4.47	4.49	4.51	4.54
18	4.45	4.47	4.49	4.51	4.53	4.56
19	4.47	4.49	4.53	4.56	4.57	4.59
20	4.49	4.52	4.55	4.57	4.59	4.61
21	4.51	4.53	4.57	4.59	4.61	4.63
22	4.53	4.56	4.59	4.62	4.65	4.65
23	4.55	4.57	4.61	4.63	4.65	4.66
24	4.57	4.59	4.63	4.65	4.66	4.67
25	4.59	4.61	4.64	4.66	4.68	4.69
26	4.61	4.63	4.67	4.69	4.7	4.71
27	4.62	4.65	4.69	4.71	4.73	4.75
28	4.65	4.68	4.71	4.73	4.75	4.77
29	4.68	4.71	4.73	4.75	4.77	4.79
30	4.71	4.73	4.75	4.76	4.79	4.81
31	4.73	4.75	4.77	4.78	4.81	4.83
32	4.74	4.77	4.79	4.81	4.83	4.84
33	4.76	4.78	4.79	4.83	4.86	4.89
34	4.77	4.79	4.81	4.84	4.87	4.88
35	4.79	4.79	4.83	4.85	4.89	4.89
36	4.81	4.81	4.84	4.88	4.89	4.9
37	4.79	4.78	4.82	4.75	4.85	4.65
38	4.75	4.69	4.79	4.72	4.75	4.64
39	4.73	4.58	4.74	4.69	4.71	4.59

Source:Researcher (2016)

The table 4.12 shows the distribution of correlation of variables. The correlation coefficient can range from -1 to +1, with -1 indicating a perfect negative correlation, +1 indicating a perfect positive correlation, and 0 indicating no correlation at all.

Table 4.12: Pearson’s Correlation Coefficient Matrix

		Organizational efficiency	CF	EP	QIP	L	FACT
Organizational efficiency	Pearson Correlation	1					
	Sig. (2-tailed)						
CF	Pearson Correlation	.950**	1				
	Sig. (2-tailed)	0.00					
EP	Pearson Correlation	.857**	.902*	1			
	Sig. (2-tailed)	0.00	0.00				
QIP	Pearson Correlation	.799**	.847*	.846**	1		
	Sig. (2-tailed)	0.00	0.00	0.00			
L	Pearson Correlation	.496**	.541*	.547**	.587**	1	
	Sig. (2-tailed)	0.001	0.00	0.00	0.00		
FACT	Pearson Correlation	.813**	.856*	.844**	.901**	.684**	
	Sig. (2-tailed)	0.00	0.00	0.00	0.00	0.00	

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher (2016)

Note: Correlation is Significant at 0.05

Key: CF is customer focus; EP is Engagement of People, QIP is Quality Improvement Programs, L is Leadership and FACT is Factual approach to decision making.

All the independent variables customer focus; engagement of people, quality improvement programs, leadership and factual approach to decision making correlate positively with organizational efficiency although at varying degrees. This shows that as

the continuous improvement practices change (decrease/increase), organizational efficiency also changes (decreases/increases) in a similar direction. When individual practices are considered, the results showed a strong positive correlation between customer focus and organizational efficiency at $r = .0.950$, engagement of people $r = .857$, Factual approach to decision making and Quality Improvement Programs at $r = 0.799$ On the contrary, Leadership and Factual approach to decision making showed a moderate positive correlation with organizational efficiency at $r = .496$.

This study also assessed the significance of the relationship as well as its strength where, the smaller the p-level, the more significant the relationship. The results showed that the relationship between all the independent variables (customer focus, engagement of people, quality improvement programs, leadership, and factual approach to decision making) and organizational efficiency was significant since the p-values were at 0.00 less than 0.05 ($p < 0.05$). Overall, the results imply that factual approach to decision-making, quality improvement programs and leadership are the most important continuous improvement practices implemented most by commercial banks compared to customer focus and engagement of people.

4.5.1 Test for Multicollinearity

Multicollinearity outcome for the variables under study are documented in table 4.13. The researcher checked the VIF values for each independent variables and concluded that there was a positive existence of multicollinearity assumption in all independent variable as they were greater than 5 except leadership, which had a weak multicollinearity relationship with a VIF of 1.916.

Table 4.13: Test for Multicollinearity

	Consumer Protection	
Variables	Tol.	VIF
Customer focus	.151	6.611
Engagement of People	.160	6.247
Quality Improvement Programs	.159	6.286
Leadership	.522	1.916
Factual approach to decision making	.125	7.969

Source: Researcher (2016)

4.5.2 Test for Autocorrelation

The study applied Durbin Watson test for autocorrelation. According to Montgomery, Peck and Vining (2001). As shown in table 4.14, Durbin Watson test value was 2.036 and in order to determine autocorrelation for organizational efficiency, level of significance: $\alpha=0.05$ on a one tail test. Number of independent variables: $K=1$ and number of observations: $n=39$. The d_U and d_L values are obtained from the Durbin-Watson significance table. The decision to reject null hypothesis (H_0) is done using the criteria:

If computed test statistics, $d < d_L$, reject H_0 , - autocorrelation is present.

If $d > d_U$, fail to reject H_0 , i.e. no autocorrelation. $d_L < d < d_U$ (test is inclusive).

From the Durbin-Watson table $d_{L,39} = 1.218$ and $d_{U,39} = 1.789$. From Table 4.14, $d = 2.036$ Since $d_{L,39} < d < d_{U,39}$ (d is greater than d_L and d_U), fail to reject the null hypothesis and conclude that there is no autocorrelation in the relationship. This also means that there is no existence significant relationship and cannot be used to predict the outcome population of organization efficiency of commercial banks.

4.5.3 Model Summary and ANOVA

Table 4.15 shows the results for variations between the dependent and independent variables. R^2 is the coefficient of determination and shows how organizational efficiency

is influenced by customer focus; engagement of people, quality improvement programs, leadership and factual approach to decision making.

Table 4.14 Model Summary statistics on continuous improvement and efficiency

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.950 ^a	.903	.889	.16899	2.036
a. Predictors: (Constant), customer focus; engagement of people, quality improvement programs, leadership and factual approach to decision making					
b. Dependent Variable: Organizational efficiency					

Source: Researcher (2016)

From the Model Summary in Table 4.14, correlation coefficient (R) =0.950 and R Square = 0.903. The coefficient of determination is such that $0 \leq r^2 \leq 1$, and denotes the strength of the linear association between x and y . Since these R tend towards 1, this indicates a strong relationship between the independent variable (continuous improvement practices and efficiency).. As shown in table 4.14 overall p value for the null hypothesis (tests of significance of the model) showed a significant relationship between continuous improvement practices and organizational efficiency at 0.00 as shown in table 4.16. This shows that the relationship between continuous improvement practices and organizational efficiency was significant $p < 0.05$. We can conclude that this model can be used to predict the outcome of organizational efficiency for the population.

In addition, table 4.15 shows R^2 of .903 for the model, this means that the independent variables in the model (customer focus; engagement of people, quality improvement programs, leadership and factual approach to decision making) explains 90.3% explanation of the variance in organizational efficiency. This implies that variations in

independent variables causes 90.3% change in dependent variable. But, the conservative explanation offered by adjusted R square was 88.9% which shows strong relationship such that the predictors identified in this study are great influencers of organizational efficiency. The remaining implies that there are other factors that affect organizational efficiency other than the continuous improvement practices identified in this study. Hence, this implies that customer focus; engagement of people, quality improvement programs, leadership and factual approach contribute to organizational efficiency and this numerical evidence is one strong enough to support the notion that there exists a strong relationship between the study variables.

In order to test for the significance of R in organizational efficiency, t-Test is used where: H0: r = 0 At the level of significance: $\alpha = 0.05$ on a one tail test. Number of independent variables: K= 1 and number of observations: n=39, then degree of freedom (d.f.) = n-k-1 =39-1-1 =37. t 0.05,37 d.f.=2.042.

Test of the significance of the overall r

$$r = \frac{\sqrt{39 - 2}}{1 - 0.903}$$

t=19.53

Since the computed t= 19.53 is greater than the tabulated t found to be 2.042 at 0.05% significance level. the null hypothesis is rejected. We therefore conclude that the relationship between continuous improvement and organization efficiency is significant it has a strong positive strong relationship.

Table 4.16: ANOVA Results

Furthermore, table 4.16 shows the ANOVA results, which were done to test the model, fit. The F statistic and its significance (p-value) are presented and interpreted.

Table 4.15: Anova for relationship between continuous improvement practices and efficiency

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.801	5	1.760	61.635	.000 ^b
	Residual	.942	33	.029		
	Total	9.744	38			

Source: Researcher (2016)

a. Dependent Variable: Organizational efficiency

b. Predictors: (Constant), customer focus; engagement of people, quality improvement programs, leadership and factual approach to decision making.

The results in table 4.16 show that the F statistic was 61.635 and was significant at 0.05% level of confidence ($p = 0.000$). This means that the model was fit to explain the relationship between continuous improvement practices (customer focus; engagement of people, quality improvement programs, leadership and factual approach to decision making) and organizational efficiency.

4.5.4 Distribution of Coefficients

The table 4.17 below measures the individual relationship between the various variables, that is, continuous improvement practices versus organizational efficiency. The table also shows the coefficient Betas for each of the predictor and its values indicate the individual contribution of each predictor to the model.

Table 4.17: Distribution of Coefficients

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.228	.269		.848	.403		
	Customer Focus	.949	.139	.949	6.821	.000	.151	6.611
	Engagement of People	.007	.136	.007	.055	.957	.160	6.247
	Quality Improvement	-.036	.136	-.036	-.265	.793	.159	6.286
	Leadership	-.029	.063	-.034	-.456	.651	.522	1.916
	Factual approach to decision making	.051	.155	.050	.327	.746	.125	7.969

a. Dependent Variable: Organizational Efficiency

Note Sig. (Testing hypothesis accept $p < 0.05$), p-value

Source: Researcher (2016)

As per table 4.17 some of the engagement of people had a strong and positive relationship at $t = 0.05$ compared to the rest of the variables. The researcher deduced that the coefficients that are negative indicate that as continuous improvement practices increases by a scale organization efficiency will decrease by same scale provided all other independent variable are constant. The positive t-values for all the independent variables (customer focus; engagement of people, quality improvement programs, leadership and factual approach to decision making) show that they impact positively on organizational efficiency. This therefore suggests that continuous improvement practices have a positive impact on banks organizational efficiency.

In addition to t-values, customer focus had $p = 0.00$ this indicates how the relationship is significant whereas factual approach to decision-making and leadership, quality

improvement programs and engagement of people had more than 0.05 ($P > 0.05$) implying that they are significant factors affecting organizational efficiency.

From table 4.17 the regression model the following regression equation was derived:

$$Y = 0.228 + 0.949 X_1 + 0.007 X_2 - 0.036 X_3 - 0.029 X_4 + 0.051 X_5$$

Where,

Y = Organizational efficiency in commercial banks in Kenya;

β_0 = Constant

X_1 = Customer focus

X_2 = Engagement of people

X_3 = Quality Improvement Programs

X_4 = Leadership

X_5 = Factual approach to decision making

ε = Error term

Constant = 0.228, shows that if continuous improvement practices are all rated as zero or held constant; organizational efficiency would be a factor of 0.228.

$X_1 = 0.949$ indicate one unit increase in customer focus results in an increase in organizational efficiency by a factor of 0.949 and vice versa

$X_2 = 0.007$ indicate that one unit increase in engagement of people results in an increase in organizational efficiency by a factor of 0.007 and vice versa

$X_3 = -0.036$, shows that one unit increase in quality improvement programs results in a decrease in organizational efficiency by a factor of 0.39 and vice versa

$X_4 = -0.029$, shows that one unit increase in leadership results in a decrease in organizational efficiency by a factor of 0.29 and vice versa

$X_5 = 0.051$, shows that one unit increase in factual approach to decision making results in an increase in organizational efficiency by a factor of 0.51 and vice versa

From the above regression model, holding customer focus, engagement of people, quality improvement programs, leadership and factual approach to decision making constant, operational efficiency in the banks would be a factor of 0.228. Thus, it can be seen that all the independent variables have a positive influence on the dependent variable(organizational efficiency) although customer focus a and engagement of people had a weak but positive relationship with organizational efficiency. This study had not intended to establish a causal relationship between continuous improvement practices and organizational efficiency but to show the strength of relationships.

CHAPTER FIVE: SUMMARY CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter has been structured into summary of findings, conclusions, recommendations and areas for further research. As per study objectives, the study provided answers to research questions as indicated in chapter one. The answers to the research questions were on regression outcome and are further discussed here. The aim of the study was to show the strength of relationships between continuous improvement practices and organizational efficiency. Thus, the discussions from the findings as analyzed and presented in chapter four.

5.2 Summary of Findings

The study looked at continuous improvement practices on efficiency of 39 commercial banks in Kenya. The correlation between the variables under study revealed that all the independent variables had a positive correlation with organizational efficiency although at varying degrees.

5.2.1 Adoption of Continuous Improvement Practices by Commercial Banks in Kenya.

The study sought to establish the continuous improvement practices implemented in the respondents organizations. The findings relate to various practices namely customer focus, engagement of people, quality improvement programs, leadership and factual approach to decision making. The results were summarized using descriptive statistics, mean and standard deviation to be precise.

The results measured on a scale of 1-5 indicated that factual approach to decision making (evidence based decision making) has been implemented to a large extent with a mean of

4.70 followed by quality improvement programs with a mean of 4.53 meaning implementation also to a large extent then customer focus with a mean of 4.43 followed by engagement of people with a mean of 3.83 and finally leadership at 2.86.

These results imply that commercial banks implement factual approach to decision-making, quality improvement programs and customer focus to a large extent. On the contrary, engagement of people and leadership has been implemented to a moderate extent.

The distribution of coefficients also revealed that customer focus and Factual approach to decision making had a high beta of 0.949 and 0.051 respectively while engagement of people had a beta of 0.007. Quality improvement programs and leadership had the lowest at -0.036 and -0.029 respectively. The consistency of the results serves to reinforce the findings of this study that customer focus, Evidence based on facts and engagement of people have been widely adopted in the commercial banks compared to others such as leadership and QIP. These findings support Davies (2004) observations that proofs, facts for analysis can be directed to higher self-drive and trust in oneself especially when making informed opinions and decisions . May be this is the reason commercial banks pay greater emphasis on fact based decision making compared to the other continuous improvement practices especially leadership and engaging people.

Conversely, these findings are contrary to Resource Based View (RBV) that among all resources in an organization, human beings are the most important asset (Prahalad et al., 1990; Barney, 1991). Commercial banks should improve on leadership and QIP practices since they touch human resources directly. ISO (2000) states that managing an

organization, could be paramount as well as encourage and involve all employees at all levels and to respect them as individuals. Moreover, leaders act as an inspiration and source of motivation if continuous improvement is to succeed.

When individual factors were considered, promoting collaboration of departments throughout the organization as a way of engaging people received 100% very large extent responses, which shows that departments in banks constantly engage to improve efficiency. Oakland (2003) observes that even though departments are different, they should all operate in unity for the common good of the overall organization.

5.2.2 Continuous Improvement Practices and Efficiency of Commercial Banks in Kenya

The respondents were asked to indicate the extent to which their organizations had experienced certain outcomes as a result of adopting continuous improvement practices. The results revealed that continuous improvement of products and services including streamlined organization processes were the greatest beneficiaries of continuous improvement practices in the respondents' organizations. Other organizational efficiency improvements were increased productivity as a result of zero defects and employees striving to do the right thing in the right manner resulting to fewer mistakes.

Furthermore, the overall mean of 4.42 indicate that continuous improvement practices impacts organizational efficiency of Commercial Banks in Kenya to a large extent. These findings concur with the results obtained by Gatwiiri (2014) that there is a positive relationship between continuous improvement approaches and operation performance.

The relationship between continuous improvement practices and organizational efficiency was positive and strong. When individual practices are considered, the results showed a

strong positive correlation between customer focus and organizational efficiency at $r = .0.950$, engagement of people $r = .857$, Factual approach to decision making and Quality Improvement Programs at $r = 0.799$ On the contrary, Leadership and Factual approach to decision making showed a moderate positive correlation with organizational efficiency at $r = .496$.

Overall, the relationship between continuous improvement practices (customer focus, evidence based on decision making, and engagement of people) and organizational efficiency was positive and significant ($P < 0.05$). The beta coefficients for all the continuous improvement practices were positive and significant which showed that as the individual practices become larger organizational efficiency improves. The R^2 (coefficient of determination) which shows the variation in organizational efficiency caused by changes in continuous improvement practices was $.908$ This shows that the predictors could significantly explain the variation in organizational efficiency.

5.3 Conclusions

Overall, the relationship between the five continuous improvement practices and organizational efficiency was positive and significant at $p < 0.05$. This study is in line with the following researchers who also established a positive relationship in their studies. Muteti (2014) established that there existed a positive relationship between continuous improvement and operational performance in Kenya. Wachuka (2015) on her survey concluded that continuous improvement and organizational culture go hand in hand, to achieve excellence. Leadership and engagement of people had a weak correlation with organizational efficiency while customer focus, quality improvement programs and factual approach to decision making had a strong correlation with organizational efficiency. The study findings further showed that the dependent variable (organizational

efficiency) is influenced by customer focus, quality improvement programs and factual approach to decision making to a large extent, leadership to a small extent and engagement of people to a moderate extent.

Thus, this study successfully identified the continuous improvement practices that are implemented in commercial banks more than others. The findings of this study revealed that customer focus, quality improvement programs and factual approach to decision-making are the continuous improvement practices affecting organizational efficiency more than leadership and engagement of people. This does not mean that leadership and engagement of people are not important but suggests a trend towards improving systems and processes as opposed to enhancing the capacity of people or human resource, which goes against Resource Based View (RBV) theoretical foundations.

5.4 Recommendations of the Study

There are an number of recommendation in relation to continuous improvement that can be adopted by banks employee empowerment, leadership and delivering value efficiently to its customers are among discussed below;

First, Commercial banks should strive to empower employees through constant engagement. This concurs with ISO (2000) and Resource Based View (RBV) theory that human resource is an asset in any firm compared to capital and machines. Continuous improvement practices depend on how employees are empowered to heighten customer value. Employees who are empowered and engaged, are definitely will exhibit higher levels of satisfaction in terms of the job..

Second, the findings recommend that commercial banks adopt a transformational approach to leadership. Top management is the pillar to continuous improvement and without their full support and commitment, its initiative is bound to fail. It is

recommended that this be done in line with its corporate talent management strategy. An individual leadership assessment should be carried out for all managers so as to assess their current leadership style, skills and behaviors. An effective leadership assessment will highlight strengths and flag areas of weakness that a manager needs to work on.

Lastly, for banks as service organizations, the goal of sustained improvement should be to deliver value to the customer efficiently and enable people to contribute and lead to their fullest potential, firms should discover enhanced ways of working and connecting strategy, goals, and meaningful purpose. Together, these form the continuous improvement system, an integrated approach that transforms the entire organization from the front line to the executive, allowing it to renew itself continuously for lasting value. Banks should adopt a system for daily progress, meaningful purpose, and lasting value

5.5 Limitations of Study

Lack of cooperation, as much as the researcher was able to collect all the required information it was evident that some branch managers were hesitant to provide the information as they were required to seek approval from the main branch, in that case some of the questionnaire were not filled on the spot but had to be left behind and were to be collected later..

Fear of victimization, some respondents were unwilling to provide information as their busy schedule was being diverted hence time wasting this made the accuracy of the data to reduce. Most banks treat their data as lots of confidential this instilled some fear of their own privacy. However, the confidentiality was assured to respondents that no data would leak and no employee was to be linked.

Lack of information from the respondents was as a result of little exposure in specific area. The respondents being given enough time to consult and give proper and honest

answers overcame this. On the same note, the researcher feared that a few cases selected in terms of respondents may not have captured all the issues intended by the researcher hence not able to apply the results to the whole industry.

5.6 Suggestion for Further Studies

Other studies can be done on impact of continuous improvement practices on financial performance measured in terms of profits and relevant ratios. In many instances, commercial banks are judged based on financial performance.

Additionally, a study can be done on impact of lean management practices on organizational efficiency and competitive advantage measured by cost reduction and differentiation. In essence, lean management practices where continuous improvement practices falls under seeks to determine cost management, waste reduction and gaining competitive advantage.

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APPENDICES

Appendix I: Questionnaire

Data Collection Instrument

This is a research aimed at understanding Adoption of continuous improvement practices and efficiency in the banking industry. Please note that the information provided shall be treated with utmost confidentiality and are for academic purposes only. Your honest participation in this survey will be highly appreciated. Please answer below by ticking (✓) accordingly.

Part A. Respondent's Details (Profile)

1. For how long has your organization been in existence?

- Below 5 years ()
- Between 5 to 10 years ()
- Between 10 to 15 years ()
- Between 15 to 20 years ()
- Above 20 years ()

2. For how long have you worked for your current employer/Company?

- Below 5 years ()
- Between 5 to 10 years ()
- Between 10 to 15 years ()
- Between 15 to 20 years ()
- Above 20 years ()

3. What is the highest level of education you have completed?

- Certificate /Diploma ()
- Bachelors ()
- Masters ()
- Doctoral ()
- Please specify

PART B: Continuous Improvement Practices

5. To what extent have you implemented the following continuous improvement practices in your organization?

Answer the questions by ticking (✓) accordingly as per the scale below

1. Not at all 2.To a small extent 3.To a moderate extent 4.To a large extent 5.To a very large extent.

Customer focus

Tick(√) once	1	2	3	4	5
i) Understanding customer's current needs.					
ii) Managing relationships with customers to achieve sustained success.					
iii) Recognizing clients especially them that receive value from the organization.					
iv) Linking organization objective to customer needs and expectations.					

Engagement of People

Tick(√) once	1	2	3	4	5
i) Promoting collaboration of departments throughout the organization.					
ii) Empowering employees to find out the difficulties in their work in order to initiate fearfully.					
iii) Enabling self-evaluation of performance against personal objective.					
iv) Promoting an in-depth culture to articulate everyone's contribution.					

Quality Improvement Programs

Tick(√) once	1	2	3	4	5
i) Promoting tools that can help firms improve within and across the departments					
ii) Training employees and equipping them with skills that can make them grow and target the objectives					
iii) Enabling self-evaluation of performance against personal objective.					
iv) Ensuring employees are agile and industrious in order to actualize project successfully.					

Leadership

Tick(√) once	1	2	3	4	5
i) Ensuring there is a culture on how things are done in the organization so that employees are encouraged.					
ii) Providing people with required resources.					
iii) Encouraging an organization wide –commitment to quality.					
iv) Inspiring, encouraging and recognizing people's contribution.					

8 Factual Approach to decision making

	1	2	3	4	5
i) Making decisions then taking actions based on evidence.					
ii) Ensuring that people are competent to analyze and evaluate data.					
iii) Analyzing data using suitable method.					
iv) Ensuring that collected information can be used for analysis it needs to be reliable as well as accurate					
v) Making all data available for the relevant people.					

PART C: Organization Efficiency

9. To what extent has your organization experienced the following outcomes as a result of adopting continuous improvement practices?

Answer the questions by ticking (√) accordingly as per the scale below

1. Not at all 2.To a small extent 3.To a moderate extent 4.To a large extent 5.To a very large extent.

	1	2	3	4	5
i) Employees striving to do the right thing in the right manner resulting to fewer mistakes.					
ii) Streamlined organization processes.					
iii) Reduction of waste.					
iv) Seamless operations.					
v) Increased Productivity as a result of zero defects.					
vi) Continuously improving products and services.					

THANK YOU VERY MUCH FOR YOUR CO-OPERATION

APPENDIX II: LIST OF BANKS IN KENYA.

A: COMMERCIAL BANKS

- 1) African Banking Corporation Ltd.
- 2) Bank of Africa Kenya Ltd.
- 3) Bank of India
- 5) Barclays Bank of Kenya Ltd.
- 6) CFC Stanbic Bank Ltd.
- 8) Commercial Bank of Africa Ltd.
- 9) Consolidated Bank of Kenya Ltd.
- 10) Co-operative Bank of Kenya Ltd.
- 11) Credit Bank Ltd.
- 12) Chase Bank (K) Ltd.
- 13) Citibank N.A Kenya
- 14) Development Bank of Kenya Ltd.
- 15) Diamond Trust Bank Kenya Ltd.
- 16) Dubai Bank Kenya Ltd.
- 17) Eco bank Kenya Ltd
- 18) Equatorial Commercial Bank Ltd.
- 19) Equity Bank Ltd.
- 20) Family Bank Limited
- 21) Fidelity Commercial Bank Ltd
- 22) Fina Bank Ltd
- 23) First community Bank Limited
- 24) Giro Commercial Bank Ltd.
- 25) Guardian Bank Ltd
- 26) Gulf African Bank Limited
- 27) Habib Bank A.G Zurich
- 28) Trans-National Bank Ltd.

- 29) Imperial Bank Ltd
- 30) I & M Bank Ltd
- 31) Jamii Bora Bank Limited.

- 32) Kenya Commercial Bank Ltd

- 33) K-Rep Bank Ltd

- 34) Middle East Bank (K) Ltd

- 35) National Bank of Kenya Ltd

- 36) NIC Bank Ltd

- 37) Standard Chartered Bank Kenya Ltd

- 38) Paramount Universal Bank Ltd

- 39) Prime Bank Ltd