

**INFLUENCE OF STRATEGY EVALUATION
APPROACHES ON PERFORMANCE AT KCB BANK**

BY

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DECLARATION

This research project is my original work and has not been submitted for examination in any other university.

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

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DEDICATION

This project is dedicated to my family members for their support and consolation amid the time of my study.

ABSTRACT

The objectives of the study were to establish the strategic evaluation approaches adopted by KCB bank and to determine the influence of strategic evaluation approaches on performance of KCB bank. The study was guided by agency theory, and open systems theory. The target population of the study was the KCB bank's staff, top management, middle management and subordinate staff. This research was a case study. The research study used an interview guide to collect data. The data collected was analyzed using the content analysis technique. The study concludes the strategy evaluation practices identified at KCB bank to include bench marking, internal audits, balanced score card, performance appraisals, accreditations and certifications, customer satisfaction surveys and the use of information technology programs. The challenges that were identified in the study in the evaluation of strategies include; an ineffective performance management system, formulation of inappropriate performance indicators, data collection and reporting systems and evaluation and review mechanisms, flawed objective setting process, lack of proper training of staff on performance management and evaluation, Poor internal communication, lack of information on the outcomes of evaluation and control actions, no established clear reporting schedules, channels and feedback mechanisms, low staff commitment ,resistance to change , lack of ownership ,Integrity issues , incorporation of incorrect information or lack of adequate information so as to make objective conclusions, lack of training in strategy evaluation and control practices, Poor support services, inadequate resources, poor infrastructure, testing and certification organizations, and lack of cooperation from KCB bank stakeholders. The study concludes that the benefit of a strategy evaluation is that it facilitates effective decision making, better selection of tactical options and teamwork. It can also be concluded that strategy evaluation helps in clearly defining the purpose of the organization and to establishing realistic goals and objectives consistent with that mission in a defined time frame within the organization's capacity for implementation which aids in effective decision making policies. The study recommended that KCB bank develops an effective strategy evaluation framework. The KCB bank evaluation system should provide for an annual assessment of the results arising from the implementation of the plan, with the aim of establishing if organizational objectives are met according to the plan. In addition to the internal evaluations, a mid-term review of the Plan should be undertaken yearly and at the end of the planned period.

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ABBREVIATIONS AND ACRONYMS

BSC:	Balanced Scorecard
SWOT:	Strengths, Weaknesses, Opportunities and Threats
CBK:	Central Bank of Kenya
KCB:	Kenya Commercial Bank
CI:	Continuous Improvement
KPIs:	Key Performance Indicators
JIT:	Just-in- Time
TQM:	Total Quality Management
MBO:	Management by Objectives

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

According to Strydom (2011), strategy evaluation and control inform the managers about the reasons leading to the failure to meet a certain objective, performance standard and/or any other performance indicator. In this sense evaluation is used as strategic learning tool and has continued to play a role in strategy formulation and implementation. Despite this, there still lacks clear understanding on the role played by evaluation. Preskill and Mack (2013) lament that in numerous firms, the importance and ease of use of assessment data has been restricted on account of its detachment from key and hierarchical level basic leadership. They set that if learning and assessment endeavors are to advise an association's basic leadership hones, then there should be a complete system for assessing the technique itself and the association's adequacy.

Strategy permits an organization to position itself adequately inside its surroundings to achieve its most extreme potential, while always observing the earth for changes that can influence it in order to roll out improvements in its key arrangement as needs be. So, system characterizes where you are, the place you are going, and how you are going to arrive. System is the bearing and extent of the association over the long haul. All techniques are liable to future alteration since procedures get to be out of date, outer and inward environment are continually evolving

All organizations operate within an environment, and to remain competitive, they have to formulate strategies. These strategies must be implemented to ensure that the desired results are achieved. Today's rapidly changing business environment is calling for an innovative approach to strategic management. Research reveals that unsuccessful implementation of strategies and lack of strategy evaluation mechanisms leads to underperformance of companies (Kariuki, 2008). Though the importance of strategy evaluation has been recognized by most authors, Kariuki (2008) notes that evaluation and control is a very challenging and complex undertaking for most organizations.

The central strategy evaluation and control exercises are: investigating inner and outer elements that are the bases for current techniques, measuring execution, and taking restorative activities. System assessment is the examination of arrangements or the consequences of arrangements that halfway concern or influence the essential mission of an endeavor. Its outcome is the dismissal, change or endorsement of existing techniques and arrangements (Mintzberg, 1979). Hinga (2007) takes note of that system assessment can occur as a unique explanatory errand, performed by advisors, yet more frequently it is an essential part of the association's procedure of arranging, audit and control. In a few associations assessment is casual, just incidental brief and careless while others have expand frameworks containing occasional procedure audit sessions.

1.1.1 The Concept of Strategy

Strategy is worried with the long haul bearing and extent of an organization. It is likewise significantly worried with how the organization positions itself as to the earth and specifically to its rivals. It is worried with building up upper hand, in a perfect world

feasible after some time, not by specialized moving but rather by taking a general long haul point of view (Johnson and Scholes, 2002).

A Strategy alludes to the set and indicated method for getting things done. Significantly, a system works under a set vision that has a long haul objective to accomplish later on. This demonstrates a procedure is essentially worried with the long haul objectives of an organization. This is accomplished through the vital investigation of qualities, shortcomings, openings and dangers (SWOT) that face an organization. This thus helps the organization to know where it remains in its operations and characterizes the particular future it needs to be in the characterized time. The key examination along these lines gives an organization the know-how of boosting on its chances and qualities. Then again the organization should likewise create methodologies that will help it manage the shortcomings it has and beat the dangers it faces from its adversaries (Barnley, 2001)

Strategy which is a key administration apparatus in any organization is a multi dimensional idea that different creators have characterized in various ways. It is the match between an organization's assets and aptitudes and the natural open doors and additionally the dangers it faces and the reasons it wishes to achieve (Thompson S, 1993).

1.1.2 Strategy Evaluation

Strategy evaluation is that period of the vital arranging process in which the top chiefs figure out if their vital decision as actualized is meeting the goals of the undertaking. While assessment is the last stride in the vital arranging process, it can be seen as a fresh

start. Data got in the assessment procedure is utilized to settle on choices about the propriety of the association's goals, system and usage arrange (Glueck and Snyder, 1982).

Strategy evaluation brings about dismissal, alteration or confirmation of existing systems and arrangements (Mintzeberg, 1979). It concerns chiefly the examination and appraisal of intercessions at the level of key objectives. The protest of vital assessment comprises of the examination and evaluation of the significance of general headings of mediations decided at the programming stage. According to Thompson and Strickland (1995) strategy evaluation and control process is intended to serve as mechanism for identifying and acting upon opportunities to improve the organization overall effectiveness by improving management systems and processes. It is also the basic element in the organization learning process.

Strategy evaluation process is vital on the grounds that simply subsequent to picking up an exhaustive comprehension of the methodology's quality would one be able to recognize what components of system ought to be changed and, similarly critical, which components of technique are sound and ought not be adjusted. Furthermore, the assessment procedure itself will recommend vital options. Technique of an enterprise is best assessed by looking at it through an assortment of focal points. Every focal point will give an alternate point of view and, perhaps, unique answers. It is just through the consolidated point of view that originates from taking a gander at past results, tentative arrangements, and the hazard inborn in an association's methodology that a strategist can survey the general nature of the company's vital push.

Hill and Jones (1999) points out that, strategic evaluation is special focus is the separation between obvious current operating results and the factors that underlie success or failure in the chosen domain of activity.

1.1.3 Organization Performance

Organization performance is portrayed as a firm's capacity to procure and use its rare assets and resources as speedily as could reasonably be expected in the quest for its operations objectives (Griffins, 2006).

The idea of organization performance is based upon the likelihood that an affiliation is the ponder relationship of productive assets, including human, physical, and capital resources, with the ultimate objective of achieving a common reason (Alchian and Demsetz, 2002; Barney, 2001; Jensen and Meckling, 2006). Those giving the advantages will simply present them to the affiliation see that they are content with the regard they receive consequently, in regard to choice occupations of the favorable circumstances. Thus, the core of execution is the making of huge worth. Seeing that the regard made by the use of the contributed assets is identical to or more unmistakable than the regard expected by those contributing the advantages, the favorable circumstances will continue being made available to the association and the association will continue existing.

1.1.4 Commercial Banks in Kenya

The banking sector is an integral part of the economy of Kenya as so plays a major role in the well being of the country. A bank is a company that carries on banking business and in Kenya this includes all banks except the Central Bank of Kenya (CBK). Banking business implies: the tolerant from individuals from people in general cash on store repayable on request or at the expiry of a settled period or after a notice; the tolerant of cash from individuals from the general population on current record and installment on

and acknowledgment of checks; the utilizing of cash hung on store or on current record or any part of the cash by loaning, speculation or in some other way for the record at the danger of the individual so utilizing the cash. Thus the banking functions can broadly be summarized as: deposit taking, lending function, payment system management, foreign exchange services and trustee functions.

The reality of today's business environment is that it is continually changing. The rapid changes in the business environment, calls for innovative approach to strategic management. Evaluating the strategic management process for banks is necessary to determine whether the changes made were effective enough in terms of the mission it helps to see where the organization is. Evaluations need to be performed continuously to keep up with the changes in the environment and usually are done quarterly or yearly. However, research reveals that successful implementation of strategies and lack of strategy evaluation mechanisms leads to under-performance of companies (McKinsey, 2008).

1.1.5 Kenya Commercial Bank Limited

The historical backdrop of Kenya Commercial Bank (KCB) goes back to 1896 when its forerunner, the National Bank of India opened an outlet in Zanzibar. After eight years in 1904, the bank extended its operations to Nairobi, which had turned into the base camp of the growing railroad line to Uganda.

The following real change in the bank's history came in 1958. Grindlays Bank converged with the National Bank of India to frame the National and Grindlays Bank. Upon Kenya's

autonomy in 1963, the Government of Kenya procured 60% shareholding in National and Grindlays Bank with an end goal to convey managing an account nearer to the greater part of Kenyans. In 1970, the Government of Kenya gained 100% responsibility for bank's shares to take full control of the biggest business bank in Kenya. National and Grindlays Bank was renamed Kenya Commercial Bank. The Government has throughout the years decreased its shareholding in KCB to 23%, as of December 2008. In a rights issue which finished up in August 2010, the shareholding by the Kenyan Government was lessened to 17.74%.

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

1.2 Research Problem

Arasa and K'Obonyo (2012) posit that strategy evaluation and control just like any other step in the strategic management is important e.g. they wonder how the achievements and successes of a business strategy can be measured if there is no critical evaluation of the

implementation plan put in place? The need for controlling and evaluation of strategies is therefore to inform the process of direction and to enable an efficient and effective achievement of strategic objectives. Gomes (2010) recommends organizations are most powerless when they are at the pinnacle of their prosperity. Mistaken key choices can incur serious punishments and can be exceedingly troublesome, if not incomprehensible, to turn around. He perceives that methodology assessment is fundamental to an association's prosperity; convenient assessments can ready administration to issues or potential issues before a circumstance gets to be basic. Through assessment and control prepare, corporate exercises and execution results are observed so that real execution can be contrasted and craved execution. Gomes (2010) take note of that the destinations that were set up in the procedure detailing part of the vital administration prepare (managing benefit, piece of the pie and cost decrease, among others) ought to unquestionably be utilized to gauge corporate or general execution once the systems have been actualized. Assessment and control data comprises of execution information and movement reports. Assessment and Control data must be applicable to what is being observed. Gomes (2010) watches that assessment and control are difficult exercises; one of the impediments to viable control is the trouble in creating fitting measures of critical exercises and yields.

Headquartered in Nairobi, KCB Bank Group is one of East Africa's biggest keeping money and budgetary administrations organizations and an important brand in the business. KCB Bank Group has the biggest Asset Base in East Africa and is the biggest keeping money organize in Kenya with 232 branches and 700 ATMs in East Africa. The Bank has developed to a local system that spreads Kenya, Uganda, Tanzania, Rwanda,

South Sudan and Burundi. KCB has won several awards over the years, and in the year 2013, KCB won numerous awards including The Asian Banker International Excellence Awards 2013 as The Best Retail Bank in Kenya, Best Bank in Microfinance just to mention a few of the achievements that KCB has achieved that make it necessary to look at the strategic management practices they have adopted. Most studies done in relation to KCB have focused on the effect of the rapidly changing banking industry environment in which KCB operates and what it has done to deal with those challenges. However, none has focused on the strategic evaluation approaches that KCB has employed and is still employing for its business operations to be sustainable over the years. This study will seek to know the strategic evaluation approaches KCB employs

Different researchers have carried out research on strategic management processes. Kariuki (2008) notes that unsuccessful implementation of strategies and lack of strategy evaluation mechanisms leads to underperformance of companies. Aosa (1982) carried a research on —An Empirical Investigation of Aspects of Strategy Formulation and Implementation with large, Private Manufacturing Companies in Kenya. A study carried out by Ronga (2008) looked at Challenges to strategy implementation at Madison Insurance Company (K) Limited. She found that some of the challenges to strategy implementation in Madison Insurance Company (K) Limited includes; organizational culture, structure, high degree of staff turnover, ineffective communication, inadequate resources, resistance to change, lack of teamwork, and a very competitive business environment. Kariuki (2008) carried a study on Strategy evaluation and control among dairy processing firms in Kenya. Though strategic management is the same all over the world, the context in which it is practiced vary from culture, religion, industry and

companies. Consequently, strategy evaluation and control practices adopted by dairy processing firms are likely to be different from the ones adopted by banking institutions. This study therefore attempted to bridge the knowledge gap on influence of strategy evaluation approaches on performance at Kenya commercial bank. It intended to answer the question, what is the influence of strategy evaluation approaches on performance of KCB bank?

1.3 Research Objectives

The objectives of the study were to:

- i) To establish the strategic evaluation approaches adopted by KCB bank
- ii) To determine the influence of strategic evaluation approaches on performance of KCB bank

1.4 Value of the Study

This study may be useful in different ways. The findings of this study may assist the organization in effective assessment of their strategies in order to achieve their mission, vision and values. KCB Managers may draw applicable lessons from this report, while managers of other organizations may find this report useful in understanding how well they undertake their strategy evaluation.

The results from this project may provide insight into key approaches impacting organizational performance and effectiveness in commercial banks. This should allow them to better learn how to improve their abilities in service delivery.

The study may provide Kenya Commercial Bank with new concepts and educational resource to improve their strategic insights about performance and effectiveness in their organizations. That is vital information on what works and what does no work in strategy evaluation.

Results of this study may bridge the gap in knowledge on strategy evaluation and control practices in commercial banks. Finally commercial banks stakeholders may have vital information on what works and what does not work in strategy evaluation.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Today's rapidly changing business environment calls for an innovative approach to strategic management. Research reveals that unsuccessful implementation of strategies and lack of strategy evaluation mechanisms leads to underperformance of companies (Kariuki, 2008). Strategy evaluation is the appraisal of plans or the results of plans that centrally concern or affect the basic mission of an enterprise. Its result is the rejection, modification or ratification of existing strategies and plans (Mintzberg, 1979).

2.2 Theoretical framework

This section presents the theories underpinning the study; the theories reviewed are: Agency theory, and Open systems theory.

2.2.1 Agency theory

The Agency Theory has likewise been portrayed as the focal way to deal with administrative conduct. Ross (1987) says that the Agency Theory is utilized as a part of the administrative writing as a hypothetical system for structure and overseeing contract, which is among the developing issues in vital administration. It along these lines clarifies the conduct of principals and operators connections in execution contracting in administration. While Ratemo (2003) stress that immediate stock proprietorship is the most vital part of expanding pay for execution, they take note of that investment opportunities "are an inexorably essential segment of official pay bundles" in light of the

fact that is attached straightforwardly to changes in shareholder esteem. In addition the chief operator hypothesis as specialist hypothesis is additionally called has been connected widely to a scope of legally binding connections between organizations, sheets, executives and directors and representatives in organizations (Dharwadhar, George and Brandes 2000, Lee and O'Neill2003)

The agency hypothesis tends to come first against other key administration speculations. Krueger (2004) in his paper in key administration and administration by targets says that the plenty of methodology execution is the organization hypothesis by and by at all levels of the key administration prepare. He battles that beginning from the corporate methodology to operational technique the destinations outlined at all these levels must be directed by the specialists or administrators for the association to accomplish its goals administration by targets which watches that association must define destinations at all vital chain of importance levels referred to by Henry et al (2006) stresses that for these destinations to be accomplished there must be collective endeavors between the chiefs as operators and subordinates.

Vital administration programs require best supervisors to give clear and noticeable support to the program without that support of the director as the operator the amalgamation between the individual and the association objectives does not create. Krueger (2004) watches that methodology detailing depends upon a group approach that streams from the corporate level to the practical level of the firm. The procedure depends on contribution from all levels of administration (through and through and base up). The

CEO as the operator ought to in this manner grasp collaboration via looking for data bringing about an assessment of the assignment to be done (technique definition) and furthermore he proposes a system to the board (principals), for their understanding and afterward completes the concurred errand (methodology usage) with a specific end goal to increase upper hand.

2.2.2 Open Systems Theory

Open Systems theory suggests basically to the possibility that affiliations are immovably influenced by their environment. The earth contains diverse affiliations that apply distinctive forces of a money related, political, or social nature. Nature moreover gives key resources that keep up the affiliation and incite change and survival. Open systems theory was created after World War II in light of earlier hypotheses of relationship, for instance, the human relations perspective of Elton Mayo and the administrative theories of Henri Fayol, which respected the relationship, as it were, as an autonomous component (Scott and Davis, 2015).

In every practical sense all forefront hypotheses of affiliation utilize the open systems perspective. Along these lines, open systems theories come in various flavors. For example, probability researchers battle that affiliations are dealt with in ways that best fit the earth in which they are introduced. Institutional researchers consider relationship to be a techniques by which the societal qualities and feelings are embedded in definitive structure and conveyed in various leveled change. Resource dependence researchers see the relationship as acclimating to nature as coordinated by its benefit providers. Notwithstanding the way that there is a marvelous combination in the perspectives gave

by open structures speculations, they share the perspective that an affiliation's survival is dependent upon its relationship with the earth (Aldrich, 2008).

2.3 Strategy Evaluation Approaches

Evaluation alludes to an occasional procedure of social occasion information and after that investigating or requesting it in a manner that the subsequent data can be utilized to figure out if an organization or program is doing arranged exercises, and the degree to which it is accomplishing its expressed destinations and foreseen comes about (Martinez, 2005). Assessing the administration of key change is a type of thinking about the change program's effect on an organization (Butler et al., 2002). It is worried with esteem. Powerful assessment will build up the utilization made of assets as far as conveyed advantage and this data will permit a more precise concentrate on esteem in change administration.

2.3.1 Benchmarking

Benchmarking is the framework through which an association measures its things, associations, and practices against its hardest rivals, or those associations saw as pioneers in its industry. Benchmarking is one of an executive's best devices for comprehending if the association is performing specific cutoff points and exercises competently, whether its expenses are according to those of contenders, and whether its internal exercises and business outlines require change (James, 2007). The thought behind benchmarking is to gage inside systems against an outside standard. It is a methodology for recognizing which associations are best at playing out specific exercises and confines and after that mimicking—or better 'as of recently, updating their systems.

Benchmarking focuses on organization to-organization connections of how well crucial limits and methods are performed. Benchmarking engages executives to make sense of what the best practice is, to compose open entryways for advancement, to redesign execution in regard to customer seeks, and to hop the standard cycle of advance. It furthermore helps directors to understand the most exact and capable technique for playing out a development, to make sense of how cut down costs are truly refined, and to make a move to improve an organization's cost forcefulness. In like manner, benchmarking has been used as a part of various organizations as a contraption for getting a high ground (Greene, 1993).

Benchmarking targets parts, structures, and fundamental accomplishment components. Parts are what portray the business or limit that a man fulfills. Systems are what exhaust an organization's benefits. Essential accomplishment segments are issues that organization must address for achievement as time goes on remembering the ultimate objective to get a high ground. Benchmarking focuses on these things in order to point out inefficient perspectives and potential areas for improvement (Powers, 2004)

2.3.2 Continuous Improvement and Just-in-Time Strategy

The Japanese word for consistent change (CI), Kaizen, is regularly utilized conversely with the term persistent change. From the Japanese character kai, which means change, and the character zen, which means great, taken truly, it implies change. Powerful usage of ceaseless change approach permits the organization to track the key measurements all the more adequately with a specific end goal to accomplish a superior use of assets, upgraded coordination among related activities and enhanced venture arranging and estimation; proactively distinguish the dangers of neglecting to finish the calendar and

spending targets; lessen the procedure overhead of estimation information accumulation, combination and examination at various levels in the venture chain of importance (de Jager et al, 2004).

Nonstop change is a noteworthy guideline of and an objective of Just-in-Time (JIT) assessment system, while it is one of the two components of aggregate quality administration (TQM); the other is consumer loyalty. In a few organizations, quality circles have developed into consistent change groups with extensively more power and strengthening than is regularly given to quality circles (Dessinger and Moseley, 2004). Through Kaizen or ceaseless change, firms can create better items and administrations at lower costs, accordingly giving more noteworthy consumer loyalty. In the long haul, the last item will be more solid, of better quality; more progressed, less expensive and more alluring to clients (Cane, 1996).

2.3.3 Business Process Reengineering

Process reengineering is redesigning or reexamining how one plays out each day capacity, and it is a thought that is material to all organizations paying little regard to size, sort, and range. While picked parts of process reengineering are particularly reported in the late 1800s and mid 1900s, handle reengineering as a gathering of data or as a change action, takes the best of the recorded organization and change models and goes along with them with later strategies for understanding and benchmarks, which make all people in an association function as process proprietors and reexamine frames. It is this mix of the old and the new and what's more the emphasis on passionate, quick repeat that makes methodology reengineering an empowering thought (Davenport, 1993).

There are a few purposes behind organizations to reengineer their business procedures: to re-concoct the way they do work to fulfill their clients; to be aggressive; to cure systemic process and behavioral issues; to improve their ability to grow to different ventures; to oblige a time of progress; to fulfill their clients, representatives, and different partners who need them to be drastically extraordinary or potentially to deliver distinctive results; to survive and be effective in the long haul and (to develop the "principles of the diversion" (Champy, 2001).

2.3.4 Management by Objective

The expression "management by objectives " was at first progressed by Peter Drucker and is a strategy of agreeing upon goals inside an association so that organization and specialists agree to the objectives and fathom what they are in the association (Drucker, 1954). The encapsulation of MBO is participative target setting, picking course of exercises and fundamental initiative. A fundamental part of the MBO is the estimation and the connection of the agent's honest to goodness execution with the benchmarks set. Ideally, when specialists themselves have been incorporated with the target setting and picking the system to be trailed by them, they will presumably fulfill their commitments (Kariuki, 2008).

The guideline behind Management by Objectives (MBO) is fundamentally for representatives to have clarity of the parts and obligations expected of them. They then comprehend the goals they should do and the general accomplishment of the organization. They additionally help with the individual objectives of every representative.

2.4 Strategy Evaluation Approaches and Organization Performance

Strategy evaluation is basically imperative in this day and age since inside and outer components frequently change rapidly and significantly. Key components should be observed amid methodology assessment exercises. The best defined and actualized systems get to be out of date as a company's outer and interior situations change. It is crucial, in this way, that strategists methodically survey, assess, and control the execution of procedures. Vital administration prepare brings about choices that can have critical, dependable results. Mistaken vital choices can perpetrate serious punishments and can be exceedingly troublesome, if not inconceivable, to switch. Most strategists concur, in this manner, that system assessment is imperative to an organization's prosperity. Sufficient and opportune input is the foundation of powerful procedure assessment. Auspicious assessments can ready administration to issues or potential issues before a circumstance gets to be basic. Procedure assessment permits an organization to take a proactive position toward molding its own future.

It is conceptualized that organizations that have viably grasped vital assessments, record better execution contrasted with those that have not. David (1997) contends that organizations record enhanced execution once they successfully grasp vital assessments. Completing the different strides in the key assessments process is required to encourage the acknowledgment of authoritative adequacy.

The linkage between key assessments and authoritative execution needs investigation to show signs of improvement seeing how vital assessments is connected practically

speaking and will enhance hierarchical execution. Key assessments regularly come up short because of issues or hindrances experienced at the usage organize. Blended proof about the relationship between vital assessments and authoritative execution makes the civil argument about its viability as an instrument of vital administration a continuous one (Wagner, 2006).

2.5 Summary

The act of strategy evaluation has today picked up unmistakable quality worldwide and crosswise over organizations, open and private. Different scholars have contended that key assessment encourages compelling organization execution. This study will inspect the relationship between vital assessment and firm execution offering consideration regarding the particular methodologies in the strategy evaluation process. The prescriptive key administration writing infers that there is a positive relationship between key assessment and organization execution, with directional causality from key assessment to execution. Why do organizations require strategy evaluation? Strategy evaluation is to enhance the adequacy of administration, convey results and effect for an organization.

2.6 Empirical studies

Dauda, Akingbade and Akinlabi (2010) inspected the impact of strategic management on corporate performance in selected small scale enterprises in Lagos Metropolis, Nigeria. Their discoveries uncovered that vital administration hones upgrade both hierarchical productivity and organization piece of the overall industry and it was .presumed that key

administration hones improve both authoritative benefit and organization piece of the overall industry and along these lines propose that key arranging ideas ought to be received by business organizations. Fiberesima and Abdul Rani (2013) inspected the effect of strategic management on business success in Nigeria. The study reasoned that key administration was observed to be decidedly identified with corporate achievement, and key administration rehearses enhance business achievement.

Gichunge (2007) analyzed the impact of formal strategic management on organizational performance of medium sized manufacturing enterprises in Nairobi, Kenya. One of his key discoveries is that opposition impacts appropriation of formal key administration, this is even as it was found that organizations with formal key administration performed superior to those without formal vital administration. Singh (2005) in his studies analyzed the effect of vital arranging process minor departure from predominant authoritative execution in non-benefit human administration associations giving psychological wellness administrations. The real finding of this study was that vital arranging is profoundly associated with predominant authoritative execution. Askarany and Yazdifar (2012) in their studies explored the dissemination of six proposed key administration apparatuses of the previous couple of decades through the viewpoint of authoritative change hypothesis, inspected the relationship between the selection of these systems and hierarchical execution in both assembling and non-producing associations in New Zealand. The outcomes and discoveries demonstrated a huge relationship between the dissemination of these generally new key administration apparatuses and hierarchical execution.

Owolabi and Makinde (2012) studied the effects of strategic planning on corporate performance using Babcock University, Nigeria as the case study. The consequences of the theories uncovered that there was a noteworthy positive relationship between's vital arranging and corporate execution. Muogbo (2013) the impact of strategic management on organizational growth and development of selected manufacturing firms in Anambra State in Nigerian. Comes about because of the examination showed that the appropriation of key administration has noteworthy impact on intensity and critical impact on worker's execution and has fundamentally expanded hierarchical efficiency.

Njeru, Stephen and Wambui (2013) while investigating factors influencing formulation of strategic plans in Embu, Kenya recognizes the criticalness of procedure observing and assessment since key activity territories are measured on pre-decided guidelines set by the assessment criteria. While examining the banks in Kenya, Kathuni and Mugenda (2012) set that keeping in mind the end goal to remain focused and accomplish their objectives and targets, banks are intermittently re-assessing their techniques with the point of accomplishing an incorporated saving money business which is operationally effective. A study by Arasa and K'Obonyo (2012) while basically concentrating on the association between the strategic planning process and organizational performance recognized the advancement of usage program, assessment and control frameworks encourages smooth execution and usage of the arranged assignments

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter deals with the research methodology of the study. It addressed the research design, data collection and data analysis.

3.2 Target Population

A population can be defined as the entire group of persons or set of objects and events the researcher wants to study (Collins et al., 2000). The population contains all the variables of interest to the researcher. The target population of the study was the KCB's staff, top management, middle management and subordinate staff.

3.3 Research Design

This research was a case study. Case study designs are appropriate when in-depth information is desired for describing phenomena of interest in a single unit of study (Bryman, 1989, Kothari, 1990). Descriptive research was also used to conduct this study. According to Cooper and Schindler (2003) descriptive research is concerned with finding out who, what, where when and how of a relevant phenomena and was definitely therefore relevant for this study since the researcher intended to describe KCB's strategy evaluation approaches benefits. Using a case study was therefore useful for investigating how the approaches change over time perhaps as a result of different circumstances or interventions and their influence on the performance.

3.4 Data Collection

The research study used an interview guide to collect data. The interview guide targeted senior staff involved in strategic evaluation in the head office at Kencom, Nairobi. This was done by using semi-structured open ended questions to give the research a qualitative approach.

The interviewers consisted of seven senior staff at KCB. These were heads of corporate planning, human resources, quality service delivery, investigation and enforcement, internal audit, revenue collection, and finance department. These heads of departments were selected because they are responsible for strategic evaluation. The researcher personally interviewed the interviewees.

3.5 Data Analysis

The information gathered was analyzed using the content analysis technique. Babbie (2001) noticed that the content analysis measures the semantic substance or the part of a message. Its broadness makes it an adaptable and boundless device that might be utilized as a remain solitary system or as an issue particular method.

Content analysis complies with three fundamental standards of logical technique and in this manner favored. They are; objectivity, which implies that the examination is sought after on the premise of unequivocal principles, which empower distinctive specialists to get similar results from similar report or messages; deliberate; the consideration or rejection of substance is done by reliably connected standards whereby the likelihood of including just materials which bolster the analyst's thoughts is wiped out; generalizability, the outcomes acquired by the scientist can be connected to other comparable circumstances (Franzosi, 2004).

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1. Introduction

This part reports the data analysis and interpretation of the outcomes. The attention shall be on investigating the information gathered from every one of the respondents in the organization and giving a reasonable interpretation of the outcomes. The fundamental center of the study was to determine the influence of strategy evaluation approaches on performance at KCB, to accomplish this; data was collected by use of an interview guide which contained open ended questions that aided in gathering of as much data.

4.2. Demographic Information

The study sought to collect information from the top managers of KCB at its Nairobi headquarters. They each had different working but quite longer periods at KCB and thus were well conversant with strategic evaluation activities that are done in their organization. They worked at different capacities in different departments thus provided clear information on strategic evaluation approaches at KCB and the way the same is assimilated in all the departments. They clearly understood the strategic plan of achieving different objectives in their specific departments and the way of measuring performance among the employees.

4.3 Strategy Evaluation Approaches

The study asked the interviewees various questions relating to strategic evaluation approaches adopted by Kenya commercial bank and obtained various responses. This was

meant to indicate how implementations of evaluation approaches, amid major varied challenges are successful.

4.3.1 Strategy Evaluation Approaches Adopted by KCB

The respondents were kindly asked to indicate the strategy evaluation approaches adopted by KCB. It was observed that KCB has a corporate strategy evaluation framework which follows the National monitoring and evaluation system guidelines designed for each result area and show the goals, purpose, outputs and output indicators. The informants also said that the organization uses the balanced scorecard, performance reports, performance appraisals, benchmarking and customer surveys to evaluate the strategies. Strategies are evaluated Weekly, Monthly, Quarterly, Biannually and Annually.

4.3.2 Specific Guidelines in Evaluation Approaches

The study sought to establish from the respondents, various specific guidelines used in evaluation approaches in their organization. The study established that KCB makes strategic decisions (implementation action plans) based upon the strategic plan. KCB clearly assigns lead responsibility for action plan implementation to departmental teams. The informants thought that sufficient resources are allocated for implementation. KCB sets clearly defined and measurable performance standards for each plan element and has developed an organized system for monitoring how well those performance standards are met. These are through Quarterly appraisals and reviews of implementation of the performance contract. KCB reviews monitoring data regularly, and revise strategic

decisions as appropriate. These are based on findings from quarterly reviews. This however is not done on time as have to wait for a whole performance management cycle before any changes to strategy are affected. The government does not allow changes in signed performance contracts midway in the process thus a cycle has to end before an organization defends any changes required

4.3.3 Respondents Involvement in the evaluation of the strategic plan

The study sought to establish whether respondents were involved in the evaluation of the strategic plan. The findings indicated that majority of the respondents felt that they were involved in the strategy planning process, that their opinions were sort and taken into consideration in the planning evaluation and are conversant with the organization's opportunities and threats within the plan. Respondents were present during the strategy evaluation process with stakeholders at all levels of the organization being well represented.

4.3.4 Rating the strategy evaluation techniques used

Respondents were kindly requested to rate the strategy evaluation techniques used in their organization. Majority of the respondents rated strategy evaluation techniques used to be good, and also indicated that KCB undertake the following tasks in strategy evaluation: evaluating whether the strategy is consistent with organization objectives and the values of the management group, evaluating whether the strategy present consistent goals and policies, evaluating feasibility of strategy in light of the available physical resources, evaluating feasibility of strategy in light of the available human resources, and evaluating

feasibility of strategy in light of the available financial resources. The KCB also evaluate whether the strategy provides creation and maintenance of competitive advantage in the selected area of operation. Evaluating strategy in light of financial performance, overall operational performance and the expected change in external environment are some of the other tasks undertaken to a great extent in strategy evaluation. Training staff who are involved in strategy evaluation and making sure employees are involved in strategy evaluation are undertaken though to a moderate extent.

4.3.5 Challenges that the KCB Faces in Strategy Evaluation

The study sought to establish the challenges that the KCB faces in strategy evaluation. It was noted that KCB response time, after they acknowledge that a strategic initiative is failing is slow. The effectiveness of KCB at evaluating the department of changes subsequent to initial strategy formulation is not up to standard. Little attention is paid to abandoning, adjusting or developing new strategies subsequent to evaluation of the initial strategies by the strategy team as they see that they have already signed the performance contracts with the government and they can only adjust the targets during negotiation in the next financial year after an anomaly has been noted.

KCB's current practices as they relate to the ongoing evaluation of strategic initiatives include the use of the balanced score card and benchmarking and the performance contract to evaluate strategic plan implementation. However the organization's performance in communicating evaluation results to the staff is not good as these take time to be done. Normally only underperformance is reported and good results are not communicated back.

The challenges faced during the evaluation and control all point towards an ineffective performance management system. There is no proper monitoring and evaluation system to ensure that KCB at corporate and divisional levels has timely, focused, objective and evidence-based information on the performance of its activities. This has led to formulation of inappropriate performance indicators, data collection and reporting systems and evaluation and review mechanisms. In some cases the process of setting objectives had been flawed, leading to having unrealistic objectives. Monitoring is also not a continuous function in which data is collected on specified performance indicators so as to determine the extent of progress and the attainment of objectives and in the use of allocated funds. This is mainly because of lack of proper training of staff on performance management and evaluation.

Poor internal communication has also led to wrong cascading of objectives, lack of information on the outcomes of evaluation and control actions. Incomplete information is also given during evaluation which leads to wrong conclusions. The study also noted that there were no established clear reporting schedules, channels and feedback mechanisms and this led to the evaluation system being viewed as belonging to the performance management committee/ systems improvement unit. It was also noted that there was low staff commitment and morale because good performers were not recognized and neither were poor performers reprimanded. Some of the staff were also resisting change thus hampering the implementation of new practices e.g. performance appraisals. There is also lack of ownership as when strategy fails the blame is often passed to the next department. Integrity issues also affect evaluation and control due to tendency to conceal information

that could be used for the process. This has led to incorporation of incorrect information or lack of adequate information so as to make objective conclusions.

There were also very few people trained on evaluation and control practices and KCB being a large organization the staff performing these tasks are strained. Poor support services was also a challenge in strategy implementation. Areas mentioned included purchasing, accounts and administration. These areas that would hamper the attainment of strategy if not performing well were hardly earmarked for improvement.

4.3.6 Main Area of Concern to Address in Strategy Evaluation

Respondents were further requested to indicate the main area of concern they would like to be addressed in strategy evaluation in their organization. It was noted that KCB does not possess adequate problem-solving capabilities to carry out the strategy mainly due to lack of training and also because of other factors outside the control of KCB. Achievement of strategic goals and objectives does not challenge neither motivate personnel in mainly because achievement of targets does not elicit any rewards or recommendations. Most of the informants explained their level of participation in strategy evaluation as medium. The informants unanimously agreed that the chosen strategic management model was relevant and suitable for KCB and that the organization was committed that strategic Management as the model of choice

One respondent was of the opinion that the evaluation and control practices were not well coordinated. This was because of the changes in the environment in which the bank operates. The discussion suggested that some of the plans cascaded down to the staff became obsolete during the period in review. What was important in 2011 may not be as important in the year 2016. The management was encouraged to stimulate the creativity

in generating new ways of implementing controls. It was difficult to predict the future with accuracy.

4.3.7 Recommendations Regarding the Strategy Evaluation

Respondents were asked to indicate recommendations that the bank would make regarding the strategy evaluation in the organization. Some of the methods of strategy evaluation that a respondent brought out were correct deviations and changing the standards set. By correcting deviations, improvement would be used to the set objectives of the strategic plan, motivating employees and training them more. By changing standards, the management would make the goals more appropriate, achievable and realistic. Respondents also indicated that KCB need to take a different strategic orientation where strategy evaluation and control becomes a central theme for building competitiveness and improving performance. Key areas to start with would be to start committing resources to strategy evaluation and control systems; investing in the right strategy and evaluation structures; exposing/demystifying and involving key stakeholders in strategy evaluation and control; and incorporating strategy evaluation and control in strategic planning.

4.5 Strategic evaluation approaches and performance of KCB Bank

The study asked the interviewees various questions relating to strategic evaluation approaches and performance of Kenya commercial bank and obtained various responses. This was meant to indicate how implementations of strategic evaluation approaches are of great significance.

4.5.1 Operational benefits of appropriate strategic evaluation

Respondents were kindly requested to indicate the operational benefits that may be realized by the application of appropriate strategic evaluation. From this study, it was apparent that the execution of whole association depended vigorously on the key arrangement assessment and accordingly it is a critical procedure that is given more prominent support by every one of the administrators

4.5.2 Employee performance benefits of appropriate strategic evaluation

Respondents were kindly requested to indicate the employee performance benefits that may be realized by the application of appropriate strategic evaluation in their organization. The study established that strategic evaluation has improved employees' pay, also respondents indicated that strategic evaluation has lead to employee satisfaction and hence better performance further respondent agreed that with strategic evaluation, employee can now meet their targets easily. Finally respondents were in a view that strategic evaluation has led to reduced employee turnover

4.5.4 Financial benefits of effective strategic evaluation

The study sought to establish various financial benefits that accrue to Kenya commercial bank as a result of effective strategic evaluation. The study established that there are improved profitability, market share, sales and increased business turnover as a result of effective strategic evaluation

4.5.5 Efficient and effective decision making policies benefits of effective strategic evaluation

The study sought to establish how strategic planning result in efficient and effective decision making policies. The study established that the benefit of a strategic evaluation discipline is that it facilitates effective decision making, better selection of tactical options and teamwork. In addition respondents indicated that strategic evaluation helps in clearly defining the purpose of the organization and to establishing realistic goals and objectives consistent with that mission in a defined time frame within the organization's capacity for implementation which aids in effective decision making policies.

4.5.6 Administrative benefits of strategic Evaluation

The chief operating officer indicated that strategic evaluation increases effective. He stated that effective strategic evaluation requires only a handful of procedures. That is; start by engaging commitment, purpose guides everything, analyze the organization in its context, decide strategies and evaluate plan execution. Some of the respondents stated that strategic evaluation provides a clear focus by producing more effectiveness and efficiency. They also stated that strategic evaluation increases effectiveness by building strong teams in the board and staff. One of the respondents added that strategic planning keeps the board together. Strategic planning according to the respondents also increases productivity and solves major problems in the organization

4.5.7 Strategic Evaluation Approaches and Performance of the Bank

The study sought to find the recommendations that respondents would make regarding strategic evaluation approaches and performance of the bank. Respondents recommended that there should be staff involvement in strategy evaluation. The strategy evaluation

process should also take an all inclusive approach. All employees input should be considered when making the organizational strategic evaluation plans. The final plans should be communicated to the staff so that they can collectively work towards a common goal. This will in effect assist in strategy evaluation as the employees will be able to identify gaps in the strategy implementation. The respondent's further recommends that unsupportive organization culture and resistance to change should be eliminated as much as possible as these negate strategy evaluation and the bank to adopt policies that foster flexibility, thus, eliminate resistance to change. In addition, respondents were on a view that since employees are the key assets in organizations, strategies adopted by organization should be flexible to the employees working place so that operations may not be affected by them.

4.5 Discussion

The study revealed that that KCB has a corporate strategy evaluation framework which follows the National monitoring and evaluation system guidelines designed for each result area and show the goals, purpose, outputs and output indicators. The informants also said that the organization uses the balanced scorecard, performance reports, performance appraisals, benchmarking and customer surveys to evaluate the strategies. Strategies are evaluated Weekly, Monthly, Quarterly, Biannually and Annually.

The challenges faced during the evaluation and control all point towards an ineffective performance management system. There is no proper monitoring and evaluation system to ensure that KCB at corporate and divisional levels has timely, focused, objective and evidence-based information on the performance of its activities. This has led to formulation of inappropriate performance indicators, data collection and reporting

systems and evaluation and review mechanisms. In some cases the process of setting objectives had been flawed, leading to having unrealistic objectives. Monitoring is also not a continuous function in which data is collected on specified performance indicators so as to determine the extent of progress and the attainment of objectives and in the use of allocated funds. This is mainly because of lack of proper training of staff on performance management and evaluation

Poor internal communication has also led to wrong cascading of objectives, lack of information on the outcomes of evaluation and control actions. Incomplete information is also given during evaluation which leads to wrong conclusions. Likewise, the discoveries of Peng and Litteljohn (2001) demonstrate that viable correspondence is a key prerequisite for successful methodology assessment. Hierarchical correspondence assumes a critical part in preparing, information spread and learning amid the procedure of technique execution. Truth be told, correspondence is unavoidable in each part of methodology usage, as it relates intricately to sorting out procedures, authoritative setting and execution targets, which, thusly, affect the procedure of execution. Besides, later articles affirm outstanding boundaries to fruitful system usage about which there gives off an impression of being a level of accord including Beer and Eisenstat's (2000) who declare that quiet enemies of methodology execution contain misty vital goals and clashing needs and frail co-appointment crosswise over capacities

The study also noted that there were no established clear reporting schedules, channels and feedback mechanisms and this led to the evaluation system being viewed as belonging to the performance management committee/ systems improvement unit. It was also noted that there was low staff commitment and morale because good performers

were not recognized and neither were poor performers reprimanded. Some of the staff were also resisting change thus hampering the implementation of new practices e.g. performance appraisals. There is also lack of ownership as when strategy fails the blame is often passed to the next department. Integrity issues also affect evaluation and control due to tendency to conceal information that could be used for the process. This has led to incorporation of incorrect information

Some of the methods of strategies that respondents suggested were correct deviations and changing the standards set. By correcting deviations, improvement would be used to the set objectives of the strategic plan, motivating employees and training them more. By changing standards, the management would make the goals more appropriate, achievable and realistic. The findings of the study support the view that evaluation activities must be economical (Cardy & Leonard, 2011). This is because too much information could be as bad as too little information. Strategy evaluation should be designed to provide a true picture of what is happening. The process of evaluation and control must be specific, measurable, achievable, relevant and timely.

The study also established that the performance of entire organization relied heavily on the strategic plan set and thus it is a very important process that is given greater support by all the managers. The study also established that there is improved profitability, market share and increased sale as a result of effective strategy evaluation. In line with the findings, David (1997) argues that firms' record improved performance once they effectively embrace strategic evaluations. Carrying out the various steps in the strategic evaluations process is expected to facilitate the realization of organizational effectiveness.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes key findings and draws conclusion relevant to the research. The study had two objectives; to establish the strategic evaluation approaches adopted by Kenya commercial bank and to determine the influence of strategic evaluation approaches on performance of Kenya commercial bank

5.2 Summary of the findings

In this study, the main purpose was to identify the strategy evaluation approaches used at KCB. Specifically, it sought to establish the strategic evaluation approaches adopted by Kenya commercial bank and to determine the influence of strategic evaluation approaches on performance of Kenya commercial bank. The study was a case study that used an interview guide to the target management staff in various departments who were in charge of the implementation, evaluation and control of strategy. Based on an objective analysis of data and discussion of results, the following is the summary of major findings and conclusions of this study.

It was observed that KCB has a corporate strategy evaluation framework which follows the National monitoring and evaluation system guidelines designed for each result area and show the goals, purpose, outputs and output indicators. The informants also said that the organization uses the balanced scorecard, performance reports, performance

appraisals, benchmarking and customer surveys to evaluate the strategies. Strategies are evaluated Weekly, Monthly, Quarterly, Biannually and Annually.

The study established that KCB makes strategic decisions (implementation action plans) based upon the strategic plan. KCB clearly assigns lead responsibility for action plan implementation to departmental teams. The informants thought that sufficient resources are allocated for implementation. KCB undertake the following tasks in strategy evaluation: evaluating whether the strategy is consistent with organization objectives and the values of the management group, evaluating whether the strategy present consistent goals and policies, evaluating feasibility of strategy in light of the available physical resources, evaluating feasibility of strategy in light of the available human resources, and evaluating feasibility of strategy in light of the available financial resources. The KCB also evaluate whether the strategy provides creation and maintenance of competitive advantage in the selected area of operation. Evaluating strategy in light of financial performance, overall operational performance and the expected change in external environment are some of the other tasks undertaken to a great extent in strategy evaluation.

The challenges faced during the evaluation all point towards an ineffective performance management system. There is no proper monitoring and evaluation system to ensure that KCB at corporate and divisional levels has timely, focused, objective and evidence-based information on the performance of its activities. This has led to formulation of inappropriate performance indicators, data collection and reporting systems and evaluation and review mechanisms. In some cases the process of setting objectives had been flawed, leading to having unrealistic objectives. Monitoring is also not a continuous

function in which data is collected on specified performance indicators so as to determine the extent of progress and the attainment of objectives and in the use of allocated funds. This is mainly because of lack of proper training of staff on performance management and evaluation.

Poor internal communication has also led to wrong cascading of objectives, lack of information on the outcomes of evaluation and control actions. Incomplete information is also given during evaluation which leads to wrong conclusions. The study also noted that there were no established clear reporting schedules, channels and feedback mechanisms and this led to the evaluation system being viewed as belonging to the performance management committee/ systems improvement unit. It was also noted that there was low staff commitment and morale because good performers were not recognized and neither were poor performers reprimanded. Some of the staff were also resisting change thus hampering the implementation of new practices e.g. performance appraisals. There is also lack of ownership as when strategy fails the blame is often passed to the next department. Integrity issues also affect evaluation and control due to tendency to conceal information that could be used for the process. This has led to incorporation of incorrect information

5.3 Conclusion of the study

The study concludes the strategy evaluation practices identified at KCB to include benchmarking, internal audits, balanced score card, performance appraisals, accreditations and certifications, customer satisfaction surveys and the use of information technology programs.

The challenges that were identified in the study in the evaluation of strategies include; an ineffective performance management system, formulation of inappropriate performance indicators, data collection and reporting systems and evaluation and review mechanisms, flawed objective setting process, lack of proper training of staff on performance management and evaluation, Poor internal communication, lack of information on the outcomes of evaluation and control actions, no established clear reporting schedules, channels and feedback mechanisms, low staff commitment ,resistance to change , lack of ownership ,Integrity issues , incorporation of incorrect information or lack of adequate information so as to make objective conclusions, lack of training in strategy evaluation and control practices, Poor support services, inadequate resources, poor infrastructure, testing and certification organizations, and lack of cooperation from KCB stakeholders.

From this study, it was concluded that the performance of entire organization relied heavily on the strategic plan set and thus it is a very important process that is given greater support by all the managers. The study also concluded that there is improved profitability, market share and increased sales as a result of effective strategy evaluation. The study also concludes that the benefit of a strategy evaluation is that it facilitates effective decision making, better selection of tactical options and teamwork. It can also be concluded that strategy evaluation helps in clearly defining the purpose of the organization and to establishing realistic goals and objectives consistent with that mission in a defined time frame within the organization's capacity for implementation which aids in effective decision making policies.

5.4 Limitations of the study

When analyzing the results of this study, certain limitations were taken into account. One limitation was the use of a qualitative research method. Although the texts gathered for analysis conferred important data for answering the research questions, a survey would have brought more opinions and consequently, more information, concerning the issues researched.

By restricting the sample to the top management the generalizability of the results could be doubted. A small and non-random sample size however is consistent with the specific focus and nature of this study. A smaller but focused sample although permitted a more detailed exploration of the research questions also restricted the responses from the other staff that are evaluated. Although a broader organizational scope and a larger sample size would be desirable, the time constraints imposed by the nature of the study prevented this.

Another limitations of the study included difficulty in accessing informants as most were not available at the time of data collection thus had to make several visits to their offices, the Research was based on Subjective responses of the interviewees thus could be biased and strategy evaluation is a wide area thus not all areas could be covered.

5.5 Recommendations

Based on the findings of the study it is recommended that KCB develops an effective strategy evaluation framework. A strategy evaluation system is necessary to ensure that KCB at corporate and divisional levels has timely, focused, objective and evidence-based information on the performance of its activities. It requires observation, measurement,

feedback, and guidance. In this regard, KCB shall as a matter of priority, establish an effective strategy evaluation system consisting of appropriate performance indicators, data collection and reporting system and evaluation and review mechanisms.

Strategy evaluation is costly in terms of time spent and the fund required. However, it is very important because it is the best way for managers to know whether or not their strategies are working, how the internal and external environment is changing and whether they are achieving the kind of results they anticipated. KCB should therefore take the outcome of strategy evaluation seriously and change their strategies depending on the outcome of the evaluation.

The KCB evaluation system should provide for an annual assessment of the results arising from the implementation of the Plan, with the aim of establishing if organizational objectives are met according to the Plan. In addition to the internal evaluations, a mid-term review of the Plan should be undertaken yearly and at the end of the Plan period. The purpose of the mid-term review is to improve overall plan implementation while the terminal evaluation will facilitate the improvement of the next Plan through lessons learned during the implementation of the current Plan. Improve performance appraisal system. Good performance should be rewarded down to the individual level so as to motivate employees to perform better and improve staff commitment and moral

Timely feedback of evaluation results is important so that timely corrective actions are taken or if positive in outcome then measures are put in place to reinforce the positive performance. KCB should also establish clear reporting schedules, channels and feedback mechanisms on an ongoing basis, requiring time and commitment of all (e.g. monthly,

quarterly and annual reporting). KCB should also provide clear statement and definition of action plans to be taken on specified monitoring results.

An integrated IT systems should be set up which includes a reporting feature. The various programmes that have been developed should include a reporting framework and should be integrated so that information is shared widely and in real time. This will improve the timeliness of taking corrective actions and information sharing within the organization.

5.6 Suggestions for further Research

Future studies based on the present study are recommended to identify the factors that drive choice of strategy evaluation and control practices in various financial institutions. This would enable comparisons to be made on the practices used with an aim of identifying the best practices.

Since the study studied the influence of strategy evaluation approaches on performance at KCB, the study suggests that further studies be done on there is a need to carry out research on factors influencing the strategy evaluation within similar context. Second, repeat research may be carried out on the top Commercial banks in Kenya. Further research can include more intensive qualitative research and also insights from different countries.

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APPENDIX I: LETTER OF INTRODUCTION



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2359182
Telegrams: "Varsity", Nairobi
Tele: 22093 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 5/7/16

TO WHOM IT MAY CONCERN

The bearer of this letter BENARD NYANUGA NYARIKI
Registration No. DSI/70848/2014

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.


PATRICK NYABUTO
SENIOR ADMINISTRATIVE ASSISTANT
SCHOOL OF BUSINESS

APPENDIX II: INTERVIEW GUIDE

Section A: Demographic Information

1. Name of the respondent (Optional)
2. What is your position in the organization (KCB)
3. In which department are you working?
4. How long have you worked at KCB?

Section B: Strategy Evaluation Approaches

5. Which are the strategy evaluation approaches undertake in your organization?
6. Are there specific guidelines in evaluation approaches?
7. Have you been involved in evaluation of your Organization's current strategic plan?
8. How would you rate the strategy evaluation techniques used by this organization?
9. Are there continuous monitoring of the approaches?, How is it done?
10. Where are your strategy evaluation and controls derived from?
11. What are some of the challenges that the organization faces in strategy evaluation?
12. What is the main area of concern would you like addressed in strategy evaluation in this organization?
13. What recommendations would you make regarding the strategy evaluation in the organization?

Section C: strategic evaluation approaches and performance of Kenya commercial bank

14. How long does it take for the evaluation approaches to be implemented by the bank?
15. What are the operational benefits that may be realized by the application of appropriate strategic evaluation in your organization?
16. What are the employee performance benefits that may be realized by the application of appropriate strategic evaluation in your organization?
17. What are the financial benefits that may arise from effective strategic evaluation in your organization?
18. Will strategic evaluation in your organization result in efficient and effective decision making policies?
19. Which are the administrative benefits that may be attained by the strategic evaluation in your organization?
20. What recommendations would you make regarding strategic evaluation approaches and performance of the bank?

Thank you for your cooperation