# FIRM STRATEGY, IMPLEMENTATION AND ORGANISATION PERFORMANCE AT EQUITY BANK, KENYA

` **SIMON OLUWASEYI**

**Research Project submitted in Partial Fulfilment of the Requirements for the Award of Master in Business Administration Degree of the School Business. University of Nairobi.**

**NOVEMBER, 2016.**

# DECLARATION

## STUDENT'S DECLARATION

This project is my original work and has never been submitted for a degree in any other University or college for examination/ academic purposes.

**Signature**: ……………………………………………..**Date:**…………………………………

SIMON OLUWASEYI

D61/72774/2014

## SUPERVISOR'S DECLARATION

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

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

DR RAYMOND MUSYOKA

LECTURER,

DEPARTMENT OF BUSINESS ADMINISTRATION,

UNIVERSITY OF NAIROBI.

## DEDICATION

This project is dedicated to God Almighty for his on ending love and commitment to my academic success and my lovely my dad Simon Michael and my lovely sister Tosin Ibikunle, for their love financial and moral support.

## ACKNOWLEDGEMENTS

I want to acknowledge the efforts of the following people I sincerely thank the lecturers and the academic staff in the School of Business, University of Nairobi and especially my supervisor Dr R Musyoka for his valued advice, constant guidance and most of all for her patience and understanding.

I also acknowledge my dear parents in the lord, Mr and Mrs Israel-Okere for their prayers, love, care, financial support and encouragement I also want to thankall members of WCICC Nairobi for their encouragement throughout the study period.

I want to sincerely appreciate my close friend and dear sister Mercy Njoki for her care and support throughout my study time,

My appreciation further goes to my classmates, friends roommates and all who made an impact in my study life here in Kenya may God bless you all.

Although it has not been possible to mention by name all those people that helped me in one way or another to make my work a success, to you all I say thank you and God Bless you abundantly.

## ABSTRACT

This study is set out to study firm’s strategy, implementation and organization performance at Equity Kenya. Having in mind that Strategy implementation involves organization of the firm's resources and motivation of the staff to achieve objectives and organization’s performance on the other hand is the measure of standard or prescribed indicators of effectiveness, efficiency, and environmental responsibility such as, cycle time, productivity, waste reduction, and regulatory compliance. The study will be guided by the following research objectives; To determine strategy adopted by Equity bank Kenya, To determine the challenges faced by Equity bank in implementation adopted strategies, To determine the relationship between strategies used by Equity bank and it performance The study will a cases study design in collecting data from the respondents. i.e research data will be collected from one source: Equity bank Kenya, the primary tool for collecting data will be an interview guide . The interview guide will be administered by the researcher to allow for further probing on issues that may not be clear to the respondents. The data will be analyzed using content analysis to capture the in-depth opinions of the respondents‟ thus accurate decision making of the problem under investigation a final report will then be prepared to present the final findings from the study.

## TABLE OF CONTENTS

## LIST OF ABBREVIATIONS AND ACRONYMS

CEOs chief executive officers

KPIs Key Performance Indicators

FLEs Frontline Employees

SMEs Small and Medium Enterprise

KCB Kenya Commercial Bank

# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the study

Strategy over the years has been essential to organisation performance, strategy can be seen as a number of goal, ends which a firm trying to achieve it and includes the means and policies adopted by such firm in order to get it done (Porter,1980). Strategy has been looked at for many years by business leaders, investors', government and business institutions, but they haven't been able to specifically state in terms of definition what strategy really is. This because many people, business, theorist think about strategy differently in different ways. Strategy looks at organisations in terms of long term direction and scope over a long period of time, it considers factors such as how resource should be used to meet market and stakeholders needs. (Johnson and Scholes, 2011).

Strategy is a word with many meaning all the meaning of the word strategy is very important and useful to those in charge of drafting and implementing strategies for their organization, business and corporations. The term strategy has been much used misinterpreted and often abused. Strategy over the years has been seen as a means of setting a long term purpose for organization in form of long term objectives, long term action programs and long term allocation of resources. Hambrick and Cannella (1989) states that strategy cannot thrive without successful implementation he said that many company focus on the formulation of new strategy, however a great strategy do not automatically result into a achievement of organisational goals and objectives, so for strategy to be realised it must be effectively implemented in all organisation functional unit and at all levels, strategy implementation can be seen as putting strategy into work in order to realise goal and objectives (Hill and Jones, 2009). On the other hand, a firm's performance can be well described at the overall outcome of organisational business activity over a specified period of time. There must by a link between strategy, implementation and performance if a firm must gain competitive advantage?

### 1.1.1 The concept of strategy

Mintzberg (1998) argued that strategy could be seen from five perspectives, as a plan: planning is a managerial function; it is something we do effortlessly. As such, it can be considered as a default and automatic we used in planning it can also involve brainstorming in order to get them done, Strategy as a ploy, this can be seen as a process of putting in place action to get the better of competitors by making them lose focus or driving their attention away. Strategy as a pattern, this can be seen at the adoption of a particular behaviour over a period of time to ensure that business strategy that are developed are successful when implemented.

Strategy as Position, position can the seen as how a firm decides to operate in the a market, positioning comes with strategic fit which enable business to align the business strategies with the current trend in its environment this has been proven to be of good benefits to business translating to profitability. Strategy as Perspective these talks of organisations view of activities this looks at how organisations see and reacted to things this perceptive can be linked effectively with organisation culture.

Michael Porter (1980) sees strategy as formula that states how a business can compete, is policies goals and objectives and what it requires to effectively realise its goals objective and aims. Porter (1980) generic strategy model commonly identified in academic studies looks at strategy in from three main perfectives. Cost Leadership Strategy Porter's generic strategies states that cost leadership is a way of gaining competitive advantage this ensure that a business sell more and take more market share from its rivals. Differentiation Strategy: Porter also stated that Differentiation involves making products or services that are different from that of rival firms and this can be done by improving on feature such as quality, durability, support and value. Focus Strategy: this can be effectively done when business use strategy to access a specific target market by seeking to understand the features of customers in the market and developing product and services to suit the requirement of the customers inside it, this can translate to high profit margins for firm as customers tend to stick with firms that meet their needs. Alfred Chandler (1962) state that process of discovering the specific long term goals of a firm and directing recourses and activities required to achieve the specified goals

### 1.1.2 Implementation of strategy

Hlavacka*et al.*, (2001) pointed out that for differentiation strategy to well implemented there is a need for resource , skills, effective marketing, capabilities product engineering skills, high level of creativity, good channel of distribution, good technological expertise, and adequate cooperation between channel of distribution. The findings were also that for the firm's differentiation strategy to be effective, client must be well informed about the strategy this is because the client's view about the organisation matters a lot. Barney (1991) states that competitive advantage as the process of implementing a value creating strategy that is not currently in use by business rival, that is using a strategy that is brand new and only being used by the business organisation and not its competitors

Strategy implementation is the process of organizing the resource available to a firm, and motivating the firm's employees to work towards the realisation of objectives, The environmental factors associated with a firm is volatile and the competitive environment is very complex, changing frequently and dynamic, in order to cope and effectively deal with this volatility a lot of thinking must go in to how strategies will be well formulated. Strategic management is a management involved with managing the future, in order to do this job effectively formulation and implementation of strategy is a necessity, because it enables organisation to direct its attention and actions, this is because in some instances actual implementation of strategy can vary from the initially intended planed and thought.

Business practitioner's investors' researchers and management must effectively assess strategy formulation process this is important for conducting and evaluating the different formulation process (Olson et al. 2005). Musyoka, (2011) was of the opinion that Strategy implementation is a majorly an internal administrative activity, which could be in from of working through others, organizing, motivating, and culture creating strong links between strategy and how the organization operates. It can also be seen as working out a process of translating formulated strategies into profitable activities that will be resultant in the realisation of organisational targets It also entails a process of converting the formulated strategies into viable operations that will yield the organization's targeted results.

### 1.1.3 Kenya Banking Sector

The Kenyan banking sector has experienced a lot of growth. This growth as brought about changes in the Kenyan economy, the changes as also influenced and affected the operation of commercial banks in the county. Kenyan banking sector comprises of 42 commercial bank registered and licensed by the Central Bank of Kenya (www.centralbank.go.ke).

The last five year has witness a significant growth in operation of Kenyan banks the growth has translated to a drive to move outside the boarders of Kenya leading the establishment of branches in East African countries. Despite of the much publicised economic crunch that hit countries in the western world and their banking institutions, Kenya banks has gone ahead in taking bold step to spreading their tentacles across East Africa with branches in Uganda, Tanzania, South Sudan, and Rwanda, the bold movement across East Africa has been spearheaded by Equity bank and Kenya commercial bank. This was done by the inclusion of the unbanked low income earners into the banking scheme (Asubwa 2011).

This has driven leading operators in the banking sector to redraft strategies and develop products and services to meet the needs of low income earn and also meet of with market trends. By doing this, many previously unbanked community now have access to banking service, which has translated to business boom in such a measure that has not been experienced before in the region.

### 1.1.4 Equity Bank Kenya

Equity Bank Kenya was established the year 1984 and the company name as at that time was Equity Building Society. It later transformed into a microfinance institution the finally became a commercial bank. In the year 2008 the bank began to expound in to the East African community starting with Uganda it took over 100% shareholding for Uganda microfinance limited the value of the share acquisition was valued at about US$25.3 million. As a result of this transaction in April 2009 Uganda microfinance limited adopted the name Equity Bank (Uganda). It began to operate under this under this new name, it also went ahead to acquire approval to open subsidiary in South Sudan, in November 2011 after due approval and registration with the Rwandan authority equity bank began operation in Rwanda. Equity bank operates 135 branches in Kenya, Equity Bank operates 38 branches in Uganda, Equity Bank operates 7 branches in Rwanda, Equity Bank operates 8 branches in South Sudan, and Equity Bank operates 4 branches in Tanzanian, Equity Bank remains one of the leading banks among the 42 licensed banks in Kenya with a total number of 8.7 million accounts, and a revenue of about USD$624.875 million (KES:64.996 billion) (Equity Bank Group Financial Statement 30th July 2015).

Equity Bank competitive strategy previously was a deep focus on the low end of the market segment but now Equity Bank has created good organisational structure, conducive infrastructure and also SMEs in its overall strategy (www.equitybank.co.ke).

Due to changing business environment, Equity Bank is trying to integrate Information technology and mobile banking in its operations in order to expand its market share locally and internationally.

## 1.2 Research Problem

Strategic group theory was first used in management by the application and observation carried out by (Hunt M. S. 1972). Hunt (1972) argued that, different from the existing theories that was based on structure conduct performance paradigm available to industries, there seem to be a difference between group of firm operating in the same industries and this is also true for firms operating in different industries, this lead to the coinage of the term strategic group, the term strategic group describe a group of firm that are highly related with regards to the cost structure. Porter (1980), stated that strategic group, is a number of firm in an industry which are similar in terms strategy, decision, direction, plan, implementation techniques, and at such they share the same cost structure.

Strategy implementation has become a major challenge for many companies.  The challenge has been illustrated by low performance in many organizations, as only about 10 to 30 percent of drafted strategies are actually implemented; this is because the main aim of the strategy and momentum behind it is some time lost even before the strategy is realized, for strategy to be well implemented there is a need for patience, stamina and energy on the part of managers involved in the implantation process.

Equity bank Branches continued to open branches across East Africa with desire to benefit from the available market in the region, and also reach out to the unbanked community, Equity bank has gone ahead to embrace the use of technology by using current available trends such as mobile banking and arranging partnership with telecommunication service providers to use mobile shops as a base for mobile banking activities, and the recent introduction of Equitel sim cards is proving to be a step in the right direction. The adoption of agency banking model has further improved banking activities providing banking service by Equity bank to interiors and villages previously uncovered by banking services, (Asubwa 2011).

Other studies support the importance of the link between strategy, implementation, and organisation performance, Cosmas (2012), in a research conducted in Nairobi Kenya established that strategy is a vital tool which should not be taken for granted, an organization which needs to excel must adopt strategy to gain competitive advantage over competitors stating that strategy is applicable to all organizations regardless of their size and scope of operations. Kubuta (2014 ) in research titled competitive advantage and performance of real estate firms in Nairobi, Kenya concluded thus, in order to gain competitive advantage firm must pay profound attention strategy adoption and implementation. Situma (2006) also studied KCB with a focus on its turnaround strategy. He realised that there are various strategies available to the firm this depends on the dynamics of their operating environment, this therefore means that companies and business should strategic choices that will maximise environmental opportunities and deal with weakness and threats. Muguiyi (2007) conducted a research titled the role of executive development in strategy implementation doing a comparative study of Kenya Commercial Bank and National Bank of Kenya. He therefore concluded that there is a correlation between the improved quality of its staff after executive development and success in strategy implementation in the two banks studied.

The current study will attempt to bridge the existing gap by seeking answers to the following research questions: - what are the strategies adopted, challenges in implementing the adopted strategies and the relationship between the strategies and performance at Equity bank Kenya?

## 1.3 Research Objectives

This study will be guided by the following study objectives:

To determine strategy adopted by Equity bank Kenya.

To determine challenges faced by Equity bank in implementation adopted strategies

To determine the relationship between strategies implemented at Equity bank its performance.

## 1.4 Value of the Study

The current study was conducted to ensure that various stakeholders i.e. policy makers, practitioner and academician will benefit; it seeks to address issues related to strategies implementation and performance in various organizations.

The results of this study will be instrumental to the banking industry and other organizations who are interested in determining the relationship between strategies adopted by their firm their system of implementation and organization performance.

The results can also be replicated by other Kenyan organizations which may not necessarily be banking in nature since strategy cuts across all sectors in business and it affects performance in other word competitive advantage.

The research shall be of high value to business managers' top executives and CEOs providing them with understanding of the concept of strategy and how well adopted can lead to increased organization performance.

The study will also add to the existing knowledge available on strategy, in strategic management and it shall recommend areas for further research and analysis by academicians in the future in order to draw important conclusions about the relationship between strategy, implementation and level of organization performance.

## CHAPTER TWO: LITERATURE REVIEW

### 2.1 Introduction

This chapter will focus on literature review conducted by the researcher. It will include a review of various studies carried out previously on strategy. The chapter will also provide a comprehensive conceptual framework derived from theory reviewed.

### 2.2 Theoretical Framework

Agency theory and strategy contingency theory. Agency is a management in which an individual known as the agent represents of the other the known as the principal; the purpose is to advance the principal's goals (Judge *et al* 1995). In this relationship the agent seek to promote his interest and that of the principal, at such there is a need for a balance of interest between the agents and principal in order to realise the corporate objective by using the resource available to the organisation through the agent put in charge. Laffort&Martimost (2002) state that the agency theory in strategic management is very important since the actions embarked upon by agents have effects on the principal, there the role of agents in the overall strategic management process and strategic formulation cannot be overemphasised, this is because a firm is often characterised by a combination of both explicit and implicit contracts that links management and its different stakeholders, including workers, suppliers, unions, customers and others. The Agency Theory also affirms that is a need of high level of synergy between management and stakeholders this will enable them to work towards a similar goal .The Agency Theory has been considered to have central approach to management behaviour Rugman, and Verbeke (2008) states that the Agency Theory is also used in management literatures for theoretical framework to manage and structure contracts, this due to the fact that contract management and structuring is a contemporary issue arising in the recent day strategic management, this is why it places emphases on the explaining the behaviour of principals and agents relationships in performance contracting in management. Krueger (2004) in the work he did on strategic management and management by objectives he state that there is a relationship between strategic implantation and the agency theory which is practiced at all levels of management in all levels of the strategic management process.

Henry *et al* (2006) that were of the opinion that in order to achieve objectives there must exist a synergy between effort of manager who acts agents and also that of the subordinates. Therefore Agency theory of strategic management is very important when it comes to the hierarchy of strategy implementation; agents are in charge of representing other stakeholders at other levels. Thus in conclusion it is important to state that the agency theory should be should be considered and adopted when formulating strategy at strategic management level, this will generally improve the overall strategic Management process and enhance organizational performance.

Strategic Contingency Theory is derived from the structure strategy performance paradigm which is associated which is associated with institutional economist (Bain, 1956) but it places less emphasis on structure and more on strategy, theorist in time past have examine the relationship between environment and strategy, but a lot of work has been done by Porter (1980), who states that: the main reason for strategy formulation of competitive strategy is related to the company's environment. Decisions are considered to be strategic if they have significant effects on the future of the organisation such as, relocation reorganizations and product-innovation decisions (Pool and Koopman 1992). It is assumed that factors affecting strategic decision making can also affect decision making went is comes to factors that may not directly influence organisational survival and other decision that that do not require a lot of management attention.

A specific implementation strategy may work in one organisation context and might not work in another; this may be in most cases due t the role played by top managers, when faced with a specific problem managers must make a decision on  how best to deal with the situation, there the model of contingency approach in an organisation states that management must properly fit between decision making style and organisation and also its environment, the main assumption is that there is not one specific way of organising.

What works or is working for an organisation as regards to a specific problem mat not automatically translation to solution in another organisation with the same problem but operating in a different environment. In conclusion is important to note that the contingent theory of management is very important to strategy implementation, because it provides managers with the notion that their decision making, strategy formulation and implementation method should be contingent on what is obtainable in their current organisation environment.

**2.3 Organisational Performance**

In recent years,  a number of organisation have been attempting to manage their organisational performance by using balance score card methodology, this method enable performance to be tracked and measure in multiple dimensions such as financial performance,  here is looks at components such as return customer service, shareholder, and social responsibility.

Organisational performance can be seen as the actual output or the result of an organisation over a period of time this is measured against its intended outputs, goals and objectives.

Every organisation looks forward to the realisation of it goals set for it by stakeholders, organisation performance can be measured so as to compare targets with results. It can be seen as the analysis of an organisation’s performance in comparism with its goals and objectives.

Richard *et al*. (2009) performance in business organizations includes the following areas such as: financial performance this includes profits, return on investment and return on assets, It also looks at product market performance; in terms firms sales, the current market share, shareholder return total shareholder return, and lastly economic value added.

Firm performance is the process of recurring activities in order to establish business goals then monitoring the process that lead to the achievement of the goals and also making adjustment to the goals, strategic planning remains a key ingredient and very crucial to in firm's performance.

Organisation performance is a process of identifying overall goals, vision, mission, strategic direction, values while direction is the process by which a firm pursues implementation associated action plans, objectives, time lines, responsibilities and including multi-level goals, .

Armstrong and Baron (1998) defined firm performance as an integrated and strategic approach adopted to enhance level company's effectiveness this is done by increasing the level of work done people who work in the organisation and this can also be done by developing their capacities for team and individuals.

When managing employee performance and aligning their objectives facilitates the effective delivery operational goals and of strategy and hence improve a firm's competitiveness. Direct financial gains that may be associated with a firm's performance include; growth of sales, reduced costs in the organization, and reduced project overruns among others. To achieve these there is need to have. Key Performance Indicators because they remain an important means by which firms can determine their level of performance i.e. how well they are performing. Key Performance Indicators also allow businesses and organisations to point out some of their most important metrics, and develop a standardized method of determining if or not they are meeting and attaining their goals, targets and objectives. Key Performance Indicators are often numbers, but they are expressed differently by different business. One of the commonly used Key Performance Indicators is measuring industry its average revenue received through property sales; if this metric increases over the course of a specified period of time, it is a safe to say that the business going in the right direction.

Organizational performance organization is conceptualized and measured differently by different authors. Such identified measures include accounting measures of profitability, such as total factor productivity and also include sales per input; while correlating the different quantum capturing unique arrears  of the organisational performance, and exposure to a global market is will not have same effect on all aspect. Variables relating the firm to its competitors include; market share, a variable which has been widely used in strategy and is emphasized by (Buzzell and Gale, 1987).

The main weakness commonly found in traditional performance measurement is usually summarized as: it does not align measures that indicate  performance with  strategy adopted;  it also fail include non financial and non tangible factors that characterises performance which includes as customer satisfaction quality, and employee morale; It focuses too much on the past hence it is a poor predictors of future performance; it encourages short-termism and also supports inwards looking measures which could also give misleading signals for innovation and improvement (Ghalayini and Noble, 1996), Out of the recognition of the inappropriateness of traditional approaches for performance measurement,  in a globalized and  highly dynamic market which pays a lot  focus on  stakeholder (driver economy), this has led to the birth of the modern method of performance measurements (Kaplan and Norton, 1992). Contemporary approaches to performance measurement looks at intangible dimensions, which includes new value streams public image satisfaction of customers satisfaction of employees and attrition, innovations in products and skills levels, services investments into training , perception, (Kasul and Motwani, 1995).

The nature of the relationship between a firm's size and the level of its performance has generated a number of attentions and also provoked a lot of debate. Several arguments have gone in favour larger firm sizes in attaining higher performance. It is believed that larger firms are able to attain and exploit the benefits associated with economies of scale this mean that they can also enjoy higher negotiation power over their clients and suppliers (Singh and Whittington 1975). It is also believed that larger firms have less difficulties in accessing credit for their investment they have a broader pool of resources and enormous qualified human capital this have led to their achievement of greater strategic diversification (Yang and Chen 2009).

On the other hand, it is believed that small firms possess certain characteristics which can handicap there operations due to their little size, little businesses are affected adversely by agency issues and they are also characterized by a high level flexibility and non hierarchical structures, this may not may be appropriate for organizations operating in a dynamic environments (Yang and Chen 2009). As Neely (2005) finds out in his work on performance measurement system and manufacturing strategy that balanced scorecard has continued to be the dominant performance measurement for system applicable. Balanced scorecard (Kaplan and Norton, 1992) comprises not only of factors associated with financial performance measures it also effectively measure other related elements such as internal process customer, and learning & growth perspectives and also manages to capture a comprehensive outlook into all performance dimension.

Researchers have not always agreed on the best strategy, or the strategy combination for effectiveness but good number of them, supports the long term advantage associated with strategic planning They see it as a tool for successful performance of organizations and business units. However, getting to measure the performance of a company or business unit is always challenging. Researchers (Buckley *et al.*, 1988; Littler, 1988; Day and Wensley, 1988) were unable to reach a consensus on to define and operational performance. Most studies on organizational performance have used a number of varied financial and non-financial success measures. Researchers who have used financial measures such as profit in their study (Saunders and Wong, 1985), Researchers who have used return on investment as profit in their study (Hooley and Lynch, 1985), Researchers who have used return on capital employed in their study (Baker *et al.*, 1988), and Researchers who have used inventory turnover in their study (Frazier and Howell, 1983).

Researchers who have made used of non monetary measures such as innovativeness (Goldsmith and Clutterbuck, 1984) and those who used market standing (Saunders and Wong, 1985; Hooley and Lynch, 1985). Other adopted that performance is measured at a variety of levels they pointed out that such level includes national, industry, company, and product, comparison of results is difficult (Frazier and Howell, 1983; Buckley *et al.*, 1988; Baker and Hart, 1989).

## 2.4 Strategy Implementation and Performance

Pride and Ferrell, (2003) pointed out that Implementation is a key component in the strategic management planning process, by definition it referred to as the process by which strategies and plans are converted into action n order to achieve organisational goals and objectives. It places emphases on the, who where when and how to get thing done in an organisation in order to realise better result (Kotler *et al*. 2001). Implementing strategic change is a two way street where one could be beneficial in terms of profit to the organisation and the other can amount to unexpected performance loss (Brown 2005; Kennedy, Goolsby, and Arnould 2003). It is important to state that when unexpected loss is very high and drains away the profit attain them we can say that has change becomes ineffective, Moreover when the result is vice versa the we can say that has change become effective.

Organizations that do not maximise the performance benefits associated with strategic change may be due to the fact that they do not see any of loss in performance or fail to discover and thereby guide against loss. It is not a surprise when considering extent to which research gives proves that the effect of change is positive (Siguaw, Brown, and Widing 1994) or negative ( Harris and Ogbonna 2000).

A recent meta-analysis indicates that there is a correlation between a market orientation and performance outcomes is weaker in service organizations than in manufacturing firms (Kirca, Jayachandran, and Bearden 2005). A reason for this weak relationship is the challenge of executing change at customer interfaces (Brown 2005). These interfaces are associated with frontline employees as they serve as the last link to the customer in the chain of top-down change implementation (Harris and Ogbonna 2000). Previous studies have suggested that even well intentioned change strategies can be thwarted by the detachment and defiance of front line employees (FLEs) (Kennedy, *et*, *al* 2003).

According to David (2003), It is the duty of managers and employees to ensure that every one is aware that implementing communicating decision between all parties is vital to successful implementation. Everyone must be aware of elements that require consideration during implementation process these elements include managing resistance to change, annual objectives, and policies, management of conflict, organization structure, resource allocation, and organizational culture (David 2003).

Dooley, Fryxell and Judge (2000) indicated that strategic implementation has a distinct relationship with various organizational elements like performance. Dooley, Fryxell and Judge (2000) further endorsed that performance will increase when everyone in the organisation supports proposed strategy.

In developing policies and procedures used for implementing strategy, methods, procedures, rules, forms, and administrative practices must be established to achieve the desired objectives. According to David (2003), strategies which are implemented within an organization should support organisational culture, if they are going to be successful in ensuring the enhancement performance in an organisation. Proposed strategy should preserve, emphasise, and supported the culture, in accordance with the culture supporting the proposed strategy (David 2003).

Therefore, strategies that are to be implemented in organisation must share correlation with organisational culture to realise the desired organisational performance results. Further, it is important to note that ability to manage conflicts is key to implementation. According to David (2003) human element of strategic implementation is very vital in successful implementation the key element here are managers and employees of the organization. Both parties should be directly involved in implementation decisions and communication in order to ensure that this occurs.

Organisational performance can be influenced by the people involved in strategic implementation process, giving the rewards for employee's performance during the implementation phase; it is suggested by David (2003) that business performance will be positively influenced.

Strategic decisions is important because it determine organisations relationship with it external environment, it relies on input from all functional areas in the organisation because they directly influence on the administrational and operational activities, and are vitally significant to long-term health of an organization (Shirley, 1982). According to Schermerhorn (1989), strategies must be formulated properly and implemented flawlessly in order to attain organizational objectives. Therefore, the ability of strategy to lead a firm to success in performance starts way before implementation; during formulation.

## 2.5 Challenges in Strategy Implementation

Organisations face a similar challenge when implementing a new strategic initiative: they are face with determining the best method for implementation. Some researchers have pointed out that organisations do not to put in to action about three quarter their strategy, (Beer and Nohria, 2000; Miller, 2002).

Robbins and Coulter (1996) were also of the opinion no matter how effectively a company has plans or no matter the effort put into its strategies; it cannot succeed if not properly implemented. Harrison (1996) made it clear that when top management decision is infective the choice made at funtional units too will be totally ineffective. When top management strategic choices are successful, it streams down favourably on choices made in other parts of the organization. Wessel (1993) stated that individuals could also barriers to strategy implementation they could be could when there are too many insufficient top team functions, a top down management style, inter-functional conflicts, conflicting priorities, poor vertical communication, and inadequate management development.

Sandelands (1994) was of the opinion that there were difficulties to when trying to connect the commitment, emotion, time, and energy needed to translate plans into action. McGrath *et al*. (1994) explained that another factor that affects strategic implementation is political instability. Lingle and Schieman (1994) stated that the market, the people, business finances, its operation, i conflicting priorities ts adaptability, and environmental factors also play a key role when it comes to long-term successful strategy implementation. Peng and Litteljohn (2001) looked at two areas of strategic implementation: structural arrangements, and the selection and development of key roles he opined that effective strategy implementation is a function of the quality of people involved in the process.

## CHAPTER THREE: RESEARCH METHODOLOGY

### 3.1 Introduction

This chapter the methodology used in achieving the objectives of the stud. Research methodology has been seen as a systematic way to solve a problem. It is a science of studying how research is to be carried out. Mustapha (2006) defined research methodology as the process by which a dependable solution is arrived at for research problem; this involves a planned, systematic collection analysis and interpretation of data. This research includes research design, research case study, data collection as well as data analysis.

### 3.2 Research Design

This study has adopted a case study design to provide information about the relationship between strategy, implementation and organisational performance. A case study research design helps to ascertain, also enable researcher to describe the characteristics of the study unit and also provides in-depth study of a research unit, Case study lays emphases the contextual analysis by limiting the research to a single firm and hence allow for in-depth probing into the subject matter.

### 3.3 Data Collection

This study has utilized primary data. This data was obtained using an interview guide developed by the researcher. The interview guide contained questions typed and printed in a definite order, the interview guide contained questions and statements based on the research objectives. The interview guide comprises of four sections, section a: background information, section b: strategies adopted by equity bank section c: the challenges face by equity bank Kenya in implementing strategies and section d: relation between strategy implementation and organisation performance at equity bank. The targeted respondents were top management staff and or a person who held an equivalent position. Respondents were considered from head office of the organization. Respondents were requested to provide answers to the questions in the best way that test explain the relationship between strategy, implementation and organisational performance at Equity Bank Kenya.

### 3.4 Data Analysis

The data was analysed using content analysis which measured the semantic content of a message. Kombo and Tromp (2006) stated that content analysis provides explicit examination of the themes that were used describes the contents of the material whether written or spoken, Content analysis is effective when it's come to capturing in-depth opinion of respondent this is done by breaking down response of respondents in to meaningful unit to ascertain characteristics of the message analyse and interpreted. The final report was compiled using Microsoft word after the data has been subjected to analysis.

# CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS

## 4.1 Introduction

This Chapter outlines respondent profile and explains how data that was collected from respondents was critically analysed based on facts that respondents raised with regard strategy, implementation and organisation performance At Equity Bank in Kenya. The data was qualitatively analysed and measured to discussions were based of the facts that were presented by the respondents.

## 4.2 Respondents profile

| | |
|---|---|
| Embarked respondents | 60 |
| Total Respondents | 47 |
| Percentage | 78% |

The research the interview meant be taken by 60 respondents, 47 respondents were successfully interviewed. This gave a response rate of 78 %, of the target population. From the research findings it was established that majority of the respondents had worked with equity bank a period of 5 years and above with the bank and some had worked with the bank for over 8 years. This meant that a good number of the respondents were young, computer savvy and dynamic; they were proactive in terms of embracing new technologies as long as they were well enlightened on its benefits. The interview also found the highest education level of the respondents. It was established that majority of the respondents were university degree holders and most of them had enrolled for master degrees the was due to opportunities provided by Equity bank Ltd in terms of education loan facilities to develop employees skills and knowledge in order to attain better performance.

### 4.3 Strategies at Equity Bank

This section focused on strategies that were adopted by Equity Bank in order to gain competitive edge in the market. The adopted strategies discussed included, Product differenciation,Cost leadership, Innovation and Technological advantage.

#### 4.3.1 Product differentiation

Most of the respondents interviewed clearly indicated that the bank differentiated its services through quality customer service and continuous improvement of their models of serving clients using modern technologies. Value addition services were incorporated in the service delivery through e-businesses. Respondents also indicated that Equity bank differentiated its brand in the local and international markets by targeting the low end, middle level and high end class of customers with innovative products compared to other players in the industry.

Majority of the respondents clearly indicated that the bank attracted and retained customers through continuous consumer research based on modern technologies. Customer complaints were dealt with appropriately by the Customer Relationship managers using personal contact methods and direct marketing techniques.

Majority of the respondents indicated that the bank participated in corporate social responsibility through education sponsorship program like wings to fly and provision of employment opportunities to Kenyan citizens. Respondents indicated that Equity products were different from other commercial banks due to customer oriented approach that was used to attract and retain the customers. Products were tailor made to address the needs of low, middle and high end customers.

Equity brand is unique from other commercial banks since it is perceived as a brand of the common people providing quality services. It is indicated that with the intention of Equity bank to diversify into new markets, global customers perceived it as an innovative bank in the financial industry using modern technologies to achieve globalization goals.

### 4.3.2 Cost leadership strategy

After interviewing the respondents on how the prices charged by the bank affected their services in the market, majority of the respondents indicated that their prices were affordable compared with other commercial banks in the market. Interest rates charged on loans issued attracted the low end markets. Most of the respondents also indicted that the bank was ranked first as the best performing financial bank in locally since it addressed the needs of local customers. It was indicated that operational costs of the bank had enabled the bank to expand and attract more customers in the local market.

ICT integration in system was an initiative of minimizing costs of operation. Respondents also indicated apart from ICT integration in the system, other factors like innovation and new product development and diversification and influence of globalization were driving forces of competitiveness by the bank in the local market. After interviewing respondents on how the bank minimized various costs in the system including procurement, production, marketing and distribution, majority of them indicated that automation of all the activities of the organization was the dimension the bank had taken for efficiency and effectiveness.

### 4.3.3 Innovation strategy and Technological advantage

The respondents of the study were interviewed to indicate strategies that the bank used to in the local and global market. Majority of them indicated that focused both local and global customers based on modern technology despite implementation challenges and changing business environment. With modern competitive technologies, the bank was targeting both local and international customers. Respondents indicated that the bank use customer demographic aspects like age, income levels and social class to segment the market.

The bank is striving to penetrate foreign markets using modern technologies and strategic partnerships with global financial institutions. Conglomerate diversification strategy was a breakthrough initiative of the bank to enter into the telecommunication industry in order to attract and retain customers locally and internationally.

**4.4 Challenges Facing Strategy Implementation**

Respondent in the interview stated that there are some challenges facing strategy implementation at equity bank such includes, how select the right matrix when implementing strategies, aligning leadership behavior with the strategy, Team building for stategy implementation, effective communication for stategy implementation, Motoring the the implentation process.

Respondents stated that selection the right matrix for implementation is a challenge that must be address for effective strategy implementation, they stated that most times adopted strategy are very good but when implementation matrix is wrong strategies are not well implemented.

Respondents stated that inability of aligning leadership behavior with the strategy is a challenge that must be address for effective strategy implementation, they stated that most times adopted strategy are very good but if leadership Behavior is not well aligned strategy, strategies will not be effective implemented.

Respondents also agreed that ineffective team building for stategy implementation is a challenge that must be address for effective strategy implementation, they agreed strategy could be will thought and crafted out but without a good implementation team, strategies will not be effective implemented.

Respondents also agreed that effective communication for stategy implementation is key to successful strategy implementation, they stated that strategy could be well thought out and crafted out but without a good communication process strategies will not be effective implemented.

Respondents stated that Motoring the implentation process is a challenge that must be address for effective strategy implementation, they stated that for strategy to me well implemented there must be a monitoring program put in place to ensure that there is no deviation from the strategy, if strategy monitoring process is lacking our respondents agreed that strategies will not well implemented.

**4.5 Relationship between Strategy Implementation and Organisation Performance at Equity Bank**

The researcher further aimed to investigate the extent to which strategy implementation influences organisation performance. The interview pointed out that Organization performance was measured as projected the performance of competitors, the organization goals, the past performance of the business and projected performance of organisation in other industries.

Most of the respondents alleged that strategy implementation influences organisation performance, they stated that there is a strong correlation between strategy implementation and organisational performance; this implies that for organization to be competitive has to formulate amicable strategies that overcome competition pressure of other competitors.

The interview was also designed to probe the impact of strategy implementation on organisation financial performance. Majority of the respondents indicated that strategic implementation influence organization financial performance positively, only very few were of the opinion that strategic implementation has no influence on organization financial performance, we can deduce from our outcome that strategy well implemented can lead to increased organisational performance.

The interview also sorts out the extent to strategy implementation influence organisation financial performance. Findings showed majority of the respondents were of the opinion that to strategy implementation has a strong positive influence on organisation financial performance, and a few proportion opined that strategy implementation has little influence organisation financial performance. We can also deduce from our findings that organisational performance can be strongly influenced by well implemented strategy.

Majority of the interviewed respondent were of the opinion that strategy implementation has led to an increase in business turnover, volumes of sale and profitability, due to refined and well implemented strategies, majority of the respondents also stated that, Business excellence, performance management, quality management and operations management has been positively influenced by strategy implementation,

The interview was also coined to deduce the relationship between strategy implementation and customer satisfaction in the organisation. Most of the respondents that were interviewed were of the opinion that strategy implementation have a strong positive influence on customer satisfaction.

## CHAPTER FIVE: SUMMARY, DISCUSSION CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Introduction

This chapter presents the summary of the data findings firms' strategy implementation and performance Equity Bank Kenya, the discussions conclusions and recommendations; the chapter is therefore structured into summary of findings, discussion conclusions and recommendations for further research.

### 5.2 Summary of the Findings

The objectives of this study were to determine strategy adopted, challenges faced in implementation adopted strategies and relationship between strategies implementation and organizational performance at Equity Bank Kenya.

Finding showed that Equity Bank Kenya has adopted the following strategies, cost leadership, product differentiation, and innovation strategy and technological advantage, our studies all also pointed out that the major strategy implementation challenges facing Equity Bank Kenya includes  selecting right matrix when Implementing strategies , align leadership behavior with the strategy, team building, effective communication and motoring the the implentation process.

Findings showed that strategy implementation has a number of influences organisation performance this is true where organizations endorse various measures, these measures includes projected performances of organisation in other industries to access their performance, projected organization goals, past performance of the business and. performance of competitors, Additionally, the study established that strategy implementation improves corporate image, business excellence and operations management.

On financial performance the study established that implementation influence organization financial performance positively. The study found that strategy implementation has a positive influence on organisation financial performance translating to increased organization profitability, business turnover and volumes of sale.

The study also pointed out that strategy implementation has positive influence on customer satisfaction translating to superior quality services and products, customer oriented products, enhanced repeated purchase and positive feedback from customers.

The study showed that strategy implementation has a strong positive influence employee performance, strategic implementation translating to improved employees' pay leading to employee satisfaction hence better performance.

The study established that strategy implementation positively influence organisation growth the study established that strategic implementation results to growth on numbers of employees, customer base and unique products and services.

## 5.3 Discussion of the Study

The study established that strategy implementation has led to organisation performance at Equity Bank Kenya; this study was supported by Homburg, (2004).

The study established that Cost-leadership Strategy, product differentiation, innovation strategy and technological advantage was among the strategies pursued by Equity bank Kenya. This is supported by Hunger and Wheelen, (2005) who argue that when pursing a cost leadership strategy is it an attempt is a preposition to gain competitive advantage by reduce economic cost below that of rivals or competitors, in other for this to be an effective method of gainng competitive advantage there must be a limited number of firm practicing the strategy in the industry .This is supported by Fratto, et al, (2006) who argue that firms in industries can either be rivals or they provide product or service substitutes, differentiation strategy makes a firms product more competitive in the market place. The study established that focus strategy was sought by the Bank to gain competitive edge. According to Barney (2006), when a firms uses focus strategy it seeks to use either cost leadership or product differentiation strategy in a specific segment of the target market.

The study established implementation challenges faced by equity bank to include select the right matrix when inplementing strategies, align leadership behavior with the strategy, team building, effective communication, and motoring the the implentation process.

The study estasblished that strategy implementation has positive influence on customer satisfaction, the study concluded that strategy implementation influences customer satisfaction to a great extent while it impacts to superior quality services and products,

The study estasblished that strategy implementation has a strong positive influence on organization growth in employee numbers, customer base, unique products and services and increase in finances. These findings is supported by Homburg, (2004) who stated that an important factor that must lead successful approach to strategy implementation is the ability to recognise the various types of capabilities, organizational processes, and systems need to be modified in order to implement the already selected strategy.

A well formed implemented strategy will translate to a company become better over the years, therefore realising its long term vision of a good mission, overall corporate success and good planning, (Crittenden & Crittenden, 2008).

### 5.4 Conclusion

The objectives of this study were to determine strategy adopted, challenges faced in implementation adopted strategies and relationship between strategies implementation and organizational performance at Equity Bank Kenya. the study concluded that strategy implementation influences organisation performance where organization adopt the following measures to rate its performance such measures include Past performance of the business projected performance of competitors, projected performance of organisation in other industries to access their performance organization goals. On the same, the study concluded that strategy implementation enhances business excellence, business corporate image, and business operations management.

My research pointed out that strategy in itself do not automatically translate to organisational performance, this because good strategy does not automatically mean good business performance, I therefore concluded that since strategy in itself do not amount to increased organisational performance, in order for firms to attain increase business performance strategy has to be well implemented.

Therefore organisation must seek out challenges affecting its strategy implementation process and provide adequate mechanism to tackle them, because will implementation strategy is what translated to organisational performance.

### 5.5 Recommendations

The study recommended that for the organization to perform effectively on its finances clear and detail strategies that guides its operation should be clearly formulated and specific guidelines should be provided to all the concerned departments in order to ensure that such strategies are implemented the study also recommends that employers be committed in ensuring that indicators of performance are known by their employees so as to continuously access performance.

The study recommends that in order for organizations to achieve their goals, i.e. profitability, and large market share and customer retention; there should be effective strategies that cater for the customer needs, organization goals and environmental changes. By doing so the organization will achieve its main objectives.

The study recommends that customers should be treated well since they are the key assets in organization’s survival; hence strategies set should be fair to client and should not shift the priority of quality service or products to standard ones.

The study recommends 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. Additionally, the study recommended that employees should be enlightened on the strategies that the organization aim to adopt so as to eradicate the possibility of opposition to its implementation and other challenges faced in the process of changes.

The study suggests that since the key aim of the organization is its survival and continual existence in an unpredictable and competitive environment, organizations strategies should be well implemented so as to ensure that these key objectives are attained.

**5.6 Limitations of the Study**

The staffs of Equity bank were usually very busy. The challenge was overcome by giving assuring the respondents that the interview was to take a maximum of five minutes. Inadequate financial resources were a major challenge the study. Accommodation expenses of the data collectors and stationary costs delayed the exercise but early preparation means were sought by the researcher by taking a soft loan from one of the micro financial institutions.

The accuracy the information given respondents was one of the major challenges this was associated to the fact that some of the employees were of the notion that the information they provided may be detrimental to them, if used against them by the management in the terms of performance hence insecurity of their jobs. The fear was allayed when respondents were assured of confidentiality of the information they gave. Most of the respondents were reluctant about giving the information due to negative perception of the study. The challenge was allayed by giving detailed explanation to respondents about the benefit of the research to all stakeholders these translated to positive response and accurate information.

### 5.7 Suggestions for further studies

The research was carried out on a case study meaning that only one organisation was  equity bank was studied i will suggest that the same topic be studies on various organisations not necessarily the banking sector

I will also suggest that further studies be carried to out to point out more challenges facing strategy implementation in organisation and how these challenges can be effectively tackle to assist strategy implementation process.

# REFERENCES


Armstrong, M. and Baron, A.(1998).*Performance management: the new realities.* London: Institute of Personnel and Development

Asubwa, C (2011)*Strategies used by Equity bank Limited Kenya in international expansion* Published MBA project university of Nairobi 2011

Bain, J. (1956), *Barriers to New Competition: Their Character and Consequences in Manufacturing Industries,* Harvard University Press, Cambridge, MA., .

Baker, M.J., Black, C.D. and Hart, S. (1988), "The competitiveness of British industry: what really makes the difference?", European Journal of Marketing, Vol. 22 No.2, pp.70-85.

Brown, S. W. (2005). When Executives Speak, We Should Listen and Act Differently, in Marketing Renaissance: Opportunities and Imperatives for Improving Marketing Thought, Practice, and Infrastructure, *Journal of Marketing*, 69 (October), 1–25.

Buckley, P., Pass, C.L. and Prescott, K. (1988), "Measures of international competitiveness: a critical survey", Journal of Marketing Management, Vol. 4 pp.175-200.

Buzzell, R. and Gale, B. (1987).*The PIMS Principles: Linking Strategy to Performance*. New York: Free Press

Ghalayini,A.M. and Noble,J.S.(1996). "The changing basis of performance measurement", *International Journal of Operations & Production Management*, 16 (8), 63 – 80

Chandler, Alfred Strategy and Structure: *Chapters in the history of industrial enterprise, Doubleday,* New York, 1962.

David, FR 2003, *Strategic Management: Concepts and Cases*, 9th edn, Prentice Education Australia Pty Ltd, French’s Forest.

Day, G.S. and Wensley, R. (1988), "Assessing advantage: a framework for diagnosing competitive superiority", *Journal of Marketing, Vol. 52 pp.1-20*

Dess, G.G. and Davis, P.S. (1984), "Porter's generic strategies as determinants of strategic group membership and performance", *Academy of Management Journal, Vol. 26 No.3, pp.467-88.*

*EGHL (August 2015). "Equity Bank Group Financial Statement As At 30th July 2015" (PDF). Equity Group Holdings Limited (EGHL). Retrieved 18 September 2015.*

Frazier, G.L. and Howell, R.D. (1983), "Business definition and performance", *Journal of Marketing,* Vol. 47 pp.59-67

Grant, R.M.(1991). *The Resource-Based Theory of Competitive Advantage:* Implications for Strategy Formulation. California Management Review 33(3): 119-135

Goldsmith, W. and Clutterbuck, D. (1984), The Winning Streak: Britain's Top Companies Reveal their Formulas for Success, Weidenfield and Nicolson, London,

Harris, L. C., &Ogbonna, E. (2000). The Responses of Front-Line Employees to Market-Oriented Culture Change, *European Journal of Marketing*, 34 (3), 318–40

Hlavacka, S., *et al* (2001). “Performance Implications of Porter's Generic Strategies in Slovak Hospitals”, *Journal of Management in Medicine,* Vol 15, No 1, pp. 44-66.

Hill, C.W.L., Jones, G.R., *“Theory of Strategic Management with cases”*, South-Western Cengage Learning, 8th edition, Canada, 2009

Hooley, G.I. and Lynch, J.E. (1985), "Marketing lesson's from the UK's high-flying companies", Journal of Marketing Management, Vol. 1 pp.65-74.

Hunger, J.D. and Wheelen, T.L. (2005).*Strategic Management* (5th Edition). Atlanta: McGraw-Hill.

Hunt, M. S. (1972) Harvard University, Cambridge, MA.

Jones, G.R. and Hill, W.L (2002).*Strategic Management Theory-An integrated Approach*. Atlanta: McGraw-Hill.

Johnson, G., Scholes, K., & Whittington, R. (2011).Strategisches*Management*-Eine Einführung: Analyse, Entscheidung und Umsetzung. Pearson Deutschland GmbH

Judge, W.Q., and Stahl, M.J. (1995). "Middle-Manager Effort in Strategy Implementation: a Multinational Perspective".*International Business Review*, **4**, 91-111.

Kaplan, R.S and Norton, D.P. (1992).*"*The Balanced Scorecard – Measures that Drive Performance", *Harvard Business Review*, 70(1), 71-79.

Kasul,R.A and Motwani, J.G.(1995). "Total quality management in manufacturing: Thematic factor assessment", *International Journal of Quality & Reliability Management*, 12(3), 57 – 76

Kennedy, K. N.,.Goolsby, J. R., &Arnould, E. J. (2003). Implementing a Customer Orientation: Extension of Theory and Application, *Journal of Marketing*, 67 (October), 67–81

Kirca, A. H., Jayachandran, S., & Bearden W. (2005). Market Orientation: A Meta-Analytic Review and Assessment of Its Antecedents and Impact on Performance, *Journal of Marketing*, 69 (April), 24–42.

Kombo, D. K., & Tromp, D. L. (2006). Proposal and thesis writing: An introduction. *Nairobi: Paulines Publications Africa*, 10-45.

Kotler, P, Brown, L, Adam, S & Armstrong, G 2001, *Marketing*, 5th edn, Pearson Mifflin Company, Boston.

Krueger, J. (2004). "Strategy Implementation Tactics as Response to Organizational, Strategic, and Environmental Imperatives". *Management Revue*, **15**, 460-480

Laffont, Jean, J., David M (2002). The Theory of incentives: The principal Agent Model Princeton (*Princeton University Press, 2002*).

Littler, D. (1988), "Perspectives on competitiveness", Marketing Education Group Proceedingsof the 21st Annual Conference, Huddersfield Polytechnic, Vol. Vol. 3 pp.57-72.

McGahan, A.M. (2007). *The Emergence and Sustainability of Abnormal Profits. Journal of Strategic Organization*, Vol.1, pg.79-108.

Mintzberg, H. Ahlstrand, B. and Lampel, J. Strategy Safari :*A Guided Tour Through the Wilds of Strategic Management*,The Free Press, New York, 1998.

Muguiyil.N. (2007), *The Role of Executive Development in Corporate Strategy Implementation, A Comparative Study of KCB and National Bank of Kenya*, Unpublished MBA Project, School of Business, University of Nairobi

Mustapha .A. (2006): *Foundation In Business Research Methods* .OLAD publishers, Ilorin Nigeria.

Musyoka, L. (2011). *Challenges of strategy implementation in Jomo Kenyatta foundation.*

*International Journal of Current Research*, Vol. 3, Issue, 11, pp.301-308.

Neely, A.,(2005). "The Evolution of Performance Measurement Research: Developments in the Last Decade and a Research Agenda for the Next". *International Journal of Operations & Production Management*, 25(12), pp. 1264-1277.

Olson K. Zanetti, L and Cunningham, R (2005), Perspectives on Public Sector Strategic Management, in *Rabin et al.., (eds) Handbook of Strategic management*; Marcel Dekker, New York

Parker, B. and Helms, M.M. (1992), " *Generic strategies and firm performance in a declining industry* ", Management International Review, Vol. 32 No.1, pp.23-9. .

Pool, J. and Koopman, P. L. (1992) Strategic decision making on organizations: a research model and some initial findings. In Hosking, D. M. and Anderson, N. (eds),*Organizational Change and Innovation: Psychological Perspectives and Practices in Europe.* Routledge, London

Porter, M. E. (1985*). Competitive advantage:* creating and sustaining superior performance. New york

Porter, Michael E. (1980). *Competitive Strategy.*Free Press. ISBN 0-684-84148-7.

Porter, M.E. (1988). *Competitive Strategy:* Techniques for analyzing Industries and Competitors. New York:Free Press

Raps, A. and Kauffman, D (2005) *Strategy implementation – an insurmountable obstacle?, Handbook of Business Strategy*, Volume 6, Number 1, pp 141-146

Yang, Chih-Hai and Ku-Hsieh Chen.(2009). "Are small firms less efficient?" *Small Business*

*Economics,* 32 (4):375-395.

Richard *et al*. (2009): *Measuring Organizational Performance*: Towards Methodological Best Practice. Journal of Management.

Rugman, A. M. &Verbeke, A, (2008). “Corporate Strategies and Environmental Regulations: An Organizing Framework,” *Strategic Management Journal* 19:363-375

Saunders, J. and Wong, V. (1985), "In search of excellence in the UK", Journal of Marketing Management, Vol. 1 pp.119-37.

SelinaKubuta (2014 ) in research titled competitive advantage and performance of real estate firms in Nairobi

Siguaw, J. A., Brown, G., &Widing II, R. E. (1994). The Influence of the Market Orientation of the Firm on Sales Force Behavior and Attitudes, *Journal of Marketing Research*, 31 (February), 106–116.

Singh, A. and Whittington, G. (1975).“The Size and Growth of Firms”.*The Review of Economic Studies,* 42, (1), 15-26.

Situma S. (2006). A *Study of the Turnaround Strategy Adopted at KCB,* Unpublished MBA Project, School of Business, University of Nairobi.

Swalehcosmas (2012) Importance Of Strategic Planning OnOrgarnisation Performance

www.centralbank.go.ke/index.php/bank-*supervision/commercial-banks-mortgage-finance-institutions*

## Appendix

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 11/7/2016

**TO WHOM IT MAY CONCERN**

The bearer of this letter Simon Oluwaseyi

Registration No. D61/72774/2014

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**

# INTERVIEW GUIDE

INTERVIEW GUIDE FOR MBA RESEARCH ON FIRM’S STRATEGY AND ORGANISTION PERFORMANCE AT EQUITY BANK OF KENYA.

This interview guide has been prepared in relation to the objectives of this study. It seeks to establish the relationship between strategy implementation and organisation performance at Equity bank of Kenya.

The Information provided in this interview guide will be exclusively used for academic purposes and will be treated with utmost confidentiality.

**SECTION A: BACKGROUND INFORMATION**

The interview guide will seek to achieve the following objectives;

i. To determine the strategies adopted by Equity Bank in Kenya?

ii. To determine the challenges face by Equity Bank in Kenya in implementing strategies?

iii. To determine the relation between strategy and organisation performance at equity bank

**Part A: Demographic Data**

i. For how long has your business been in operation?

ii. For how long have you been worked in the bank?

iii. What is the highest level of education you have achieved?

**SECTION B: STRATEGIES ADOPTED BY EQUITY BANK**

1. What are the strategies currently been adopted at Equity Bank Kenya.

2. Has equity bank also adopted the following strategies?

a) Innovation

b) Product differenciation

c) Cost leadership

d) Technological advantage

e) Pricing stategy

**SECTION C: THE CHALLENGES FACE BY EQUITY BANK KENYA IN IMPLEMENTING STRATEGIES?**

1 What are the challenges facing your organisation as regards strategy implementation

2 How does equity bank select the right matrix when inplementing strategies

3 How does equity bank align leadership behavior with the strategy

4 How does equity bank use Team building for stategy implementation

5 How does equity bank use effective communication for stategy implementation

6 How does equity bank Motoring the the implentation process

**SECTION D: RELATIONSHIP BETWEEN STRATEGY IMPLEMENTATION AND ORGANISATION PERFORMANCE AT EQUITY BANK**

1 What does your organisation use to project future performance?

2 In your own opinion, to what extent do you think strategy implementation influences performance in your organisation?

3 How has strategy implementation enhanced employee performance in your organisation?

4 How has strategy implementation influenced financial performance in your organisation?

5 How has strategy implementation led to increase of the following financial performance aspects?

a) Business turnover

b) Volumes of sale

c) Profitability

6 How does strategy implementation enhance the following in your institution?

a) Business excellence

b) Performance management

c) Quality management

d) Operations management

7 How does strategy implementation influence customer satisfaction in your organisation?

***Thank you for your time and effort in responding to these questions***

SIMON OLUWASEYI

ORIGINALITY REPORT

| 10% | 7% | 4% | 8% |
|---|---|---|---|
| SIMILARITY INDEX | INTERNET SOURCES | PUBLICATIONS | STUDENT PAPERS |

PRIMARY SOURCES

| | | |
|---|---|---|
| 1 | European Business Review, Volume 16, Issue 2 (2006-09-19)<br>Publication | 1% |
| 2 | eprints.usq.edu.au<br>Internet Source | 1% |
| 3 | Submitted to Strathmore University<br>Student Paper | 1% |
| 4 | Submitted to Kwame Nkrumah University of Science and Technology<br>Student Paper | 1% |
| 5 | www.sosyalarastirmalar.com<br>Internet Source | 1% |
| 6 | Submitted to Mzumbe University<br>Student Paper | 1% |
| 7 | Business Process Management Journal, Volume 12, Issue 4 (2006-09-19)<br>Publication | <1% |
| 8 | strathprints.strath.ac.uk<br>Internet Source | <1% |

| | | |
|---|---|---|
| 9 | ijsse.org<br>Internet Source | <1% |
| 10 | ems.uonbi.ac.ke<br>Internet Source | <1% |
| 11 | chss.uonbi.ac.ke<br>Internet Source | <1% |
| 12 | www.allbusiness.com<br>Internet Source | <1% |
| 13 | globaljournals.org<br>Internet Source | <1% |
| 14 | Submitted to Galway-Mayo Institute of Technology<br>Student Paper | <1% |
| 15 | Submitted to Cardiff University<br>Student Paper | <1% |
| 16 | www.researchgate.net<br>Internet Source | <1% |
| 17 | Submitted to Kenyatta University<br>Student Paper | <1% |
| 18 | www.coer.org.nz<br>Internet Source | <1% |
| 19 | Submitted to Laureate Higher Education Group<br>Student Paper | <1% |
| | Submitted to London Churchill College | |

| | | |
|---|---|---|
| 20 | Student Paper | <1% |
| 21 | Homburg, C.. "A strategy implementation perspective of market orientation", Journal of Business Research, 200412<br>Publication | <1% |
| 22 | Submitted to Africa Nazarene University<br>Student Paper | <1% |
| 23 | Submitted to Universiti Teknologi MARA<br>Student Paper | <1% |
| 24 | www.studymode.com<br>Internet Source | <1% |
| 25 | Submitted to Sheffield Hallam University<br>Student Paper | <1% |
| 26 | Submitted to University of Alabama, Huntsville<br>Student Paper | <1% |
| 27 | Submitted to Erasmus University Rotterdam<br>Student Paper | <1% |
| 28 | Submitted to Universiti Sains Malaysia<br>Student Paper | <1% |
| 29 | www.healthpromotionservice.co.uk<br>Internet Source | <1% |
| 30 | www.ukessays.com<br>Internet Source | <1% |