PERCEPTION OF MANAGEMENT EMPLOYEES ON STRATEGIC MANAGEMENT PRACTICES IN A COMPETITIVE BUSINESS ENVIRONMENT AT KENYA COMMERCIAL BANK

BY

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DECLARATION

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

Signature.. Date................................

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

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DEDICATION

I dedicate this work to my family and all those who supported me in the completion of this project.

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ABBREVIATIONS AND ACRONYMS

CBK Central Bank of Kenya

DCT Dynamic capability theory

EAC East Africa Community

IMF International Monetary Fund

KCB Kenya Commercial Bank Limited

R&D Research and Development

SACCOs Savings and Credit Cooperative Society

SMEs Small and Medium-sized Enterprises

USD United States Dollars

VRIN Valuable, Rare, Imperfectly Imitable, Non-Substitutable

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ABSTRACT

Strategic management is a process concerned with formulation and implementation of organization goals. It seeks to take make use of establish new and diverse opportunities and by analyzing internal and external environment of the organization. The objective of this research was to assess the perception of employees on practices of strategy management in a competitive environment at Kenya Commercial bank. The study adopted a case study research that adopted a descriptive research design. Data was collected using questionnaires administered to 37 employees of the company and analyzed using inferential and descriptive statistics. The findings indicate that the major strategic management practices implemented in a competitive business environment included undertaking of market surveys on a quarterly basis to identify the strengths, the weaknesses, the opportunities and threats to the business; undertaking of competitor examination to find out what competitors are doing in terms of technology, funding, new products, pricing, customer acquisition and marketing activities; SWOT Analysis to helps top management in KCB know how they are performing and how they can increase their strength, enhance their weaknesses, make good use of their opportunities, and lessen the impacts of risks to their businesses; being the business market leader in the implementation of corporate governance principles ,up-to-date customer relationship management, adoption of enterprise risk management, adoption latest technologies in banking, operational cost evaluations and effective stakeholder relationship management. The results showed that a larger number of the interviewees pointed out that strategic decisions positively influence business competitiveness to a large degree. From the findings, a larger number of the interviewees pointed out that the firm has, increased its market network to other regions in the country, enhanced quality of services compared to rivals in the industry, adopted effective strategic responses towards external and internal changes faced by the company and has experienced high customer satisfaction to a very great extent .This implies that high levels of performance may result in adoption of strategic management practices. The study found that the firms achieved competitive advantage over their rivals in the market; increased profitability, gained high returns due to effecting strategic management practices and increased volume of revenues. The study's limitations included limited time set aside for conducting the research study and the limited scope of the study.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The banking industry is said to be much segmented. These sections entail areas such as asset and wealth management, corporate and investment banking and retail banking. The global banking industry faces challenges such as debt crisis which challenge the liquidity of banks. The level of competition is also attributed to the number of banks in the industry and the existence of mortgage finance institutions, Micro-finance institutions and SACCOs which offer almost similar products. Industry rivalry threatens to minimize the pull factor of the industry and profitability of industry players. Banks that seek to be industry leaders employ strategic management to enable them to come up with beneficial strategies which promote beforehand responses to expected and current changes in the rival environment (Johnson & Scholes, 2002). Strategic management refers to the process and approach of formulating and implementing firm's objectives and allocating resources towards achieving these goals, and assessing both internal and external environment. Strategic management enables banks and organizations to achieve competitive advantage by enabling it to provide products and services (core competencies) that are unique to industry competitors.

This study reviews the theory of profit-maximizing and competition-based, theory of resource based and theory of dynamic capability to support strategic management and competition. The theory of profit-maximizing and competition-based refers to the assumption that the main goal of a firm is to increase long term returns, and build a maintainable competitive vantage point among key players in the industry.

This perspective is offered by industrial-organization perspective as a strategy for analyzing competition in a company (Porter, 1981). Resource-based theory states that a firm's strategic resource enables it to build a competitive advantage over its rivals. Strategic resources such as finance, research and development and human resource have the capability to create a competitive vantage point, and ultimately exceptional company performance (Ainuddin et al., 2007). Dynamic capability theory emphasizes on the core competencies of a firm to create a competitive advantage. Organizations should be able to create, build and its resource base to be able to create a competitive advantage over its rivals in the industry.

Financial establishments in Kenya have in the recent past adopted strategic management practice that involves critical evaluation of banks operations using SWOT analysis. The motivation for adopting such services is the desire for enhance business competitiveness in the wake of intense competition and demand for better returns by shareholders. It is the guiding belief by management of such institutions as postulated by (Momani, 2013) that such practices will deliver improved operational efficiency, better service delivery to customers and sustained higher returns to shareholders. However, as it is now it's just a guiding hypothesis that such services lead to improved competitiveness hence the justification for this study to evaluate the effectiveness of such practices in enhancing business competitiveness; no study has examined the effects of such services on business competiveness in Kenya and this is therefore the reason for this research.

The Global and local competitive business environment has created stiff competition in the banking industry. The Kenya Commercial Bank faces various challenges in its competitive environment; as a result it uses various strategic practices to survive and become competitive. Therefore, application of strategic management is what prompted the researcher to establish the perception of employees on strategic management practices in a competitive business environment at Kenya Commercial Bank.

1.1.1 Concept of Strategic Management Practices

We can describe strategic management as a process concerned with formulation and implementation of organization goals. It seeks to manipulate and formulate new and distinct opportunities by analyzing spheres of the company that are internal and external. Once the analysis is done, different approaches are set up for providing direction, focusing effort, make an analysis of the firm, and maintain constancy in respect to the environment (Mintzberg, 1987).

Strategy management comprises of strategy planning, strategy thinking and strategy execution. In strategic planning procedures that are formalized are applied to the management of organizations for the purpose of determining priorities, appropriate direction of energy and resources to ensure that human resource are working toward a common goal. Strategic thinking is the ability to arrive at decisions that are in line with organization’s objective (Porth, 2002).

Porter (2008) defines strategy as a plan of action formulated to achieve a major goal or more than one goal in an organizational setting. For strategy to be effective, management should be able to analyze and assess available alternative courses of action. Adequate information about the rivals and distinctive higher order execution of alternative actions should be present. Strategy is the determination of its objectives, purposes, the pursue of an array of businesses by the firm, the desired human resource an organization to enable it achieve its mission. It involves the use of maximum use of firm's resources to enhance its capabilities to compete.

1.1.2 Competitive Business Environment

We can define a competitive business environment as an ever changing marketing structure, where businesses can challenge each other, and conduct its activities. The level of competition affects the attractiveness of a firm. The higher the level of competition the lower the attractiveness, and the lower the level of competition the more attractive the industry becomes. Competition is as a result of industry players seeking to gain control of scarce resources, become profitable, increase its asset base and gain the larger market share. Competition occurs where firms tend to compete with other firms for customers or achieve something.

The process is both complex and sophisticated (Heyne, et. al, 2014). Michael Porter's model explains the five factors that determine industry competition. Three factors influence horizontal competition, these are: degree of rivalry, risk of a new competitor and existence of alternative products. Vertical competition is affected by the force of the bargaining powers of the distributors, and those of the consumers.

Competitive business environment is also influenced by policy changes formulated by the policy makers. The banking industry in Kenya has undergone various policy changes from 1995. These changes have an impact on factors such number of industry players. The industry has also experienced deregulation by reducing the laws that hinder free competition. According to Zhao et. al (2010), rivalries induced by deregulation should result in an effective and improved performances in the banking corporation. The concepts of cost frontier and partial adjustment process are utilized while examining efficiency. For measuring competition an adjusted AR model is used where persistence of profitability POP approach is used with reduced POP with increase in profit. In the business environment, rivals compete for things such as employment opportunities, clients, innovations of products and profits among other goals.

1.1.3 Strategic Management Practices and Competitive Business Environment

Organizations use strategic management to provide it with overall direction towards achieving a desired goal for the whole enterprise. It seeks to improve the practices by the management, which involves handling of the outstanding problems rather than the operational problems**.** Proper strategy implementation ensures that an organization properly utilize its limited resources to develop core competencies. Core competencies enable a company gain competitive advantage over its industry rivals. According Gartner (2012) the variations between an organization and its rivals that clients are interested in is what we can term as competitive advantage.

The perceived difference is what forces competitors to transform their business just to compete. The competitors are forced to transform if only to maintain viability and relevance when one company introduces competitive advantage. This puts the firm in a favorable position above its competitors. Establishing an efficient competitive strategy thus involves the coming up with a broad formula that indicates how the business should compete, its objectives, and the policies that will be required to accomplish the said objectives. It is therefore a blend of the firm’s targets and the method for meeting them.

Porter’s five competitive strategies can be used to evaluate the firm. They include rivalry, the threat of a substitute, distributor power, buyer power and the threat of a new entrant. These five competitive strategies give out a simple outlook for the examination of the rivals competitive strength and position (Porter, 1980). According to Porter (1980) the formulation of competitive strategies is based on relating the company to its environment which broadly encompasses the social as well as the economic forces. However, critical to the company’s business environment is the field which it competes in, as it determines the rules to the game, in addition to the plans of action that are accessible to the company.

1.1.4 Commercial Banks in Kenya

Establishments like Commercial Banks and Mortgage Finance are authorized and managed under the Banking Act, and the issuance of the Regulations and Prudential Guidelines. Currently there exist 42 commercial banks that are licensed and 1 mortgage finance institution. Among the 43 establishments, the Kenyan government controls interest in 3, and the remaining 39, are privately owned. 14 of the privately owned institutions are owned by foreigners, while the 25 remaining are owned locally (CBK, 2016).

In an economy, banks that are commercial play vital role in ensuring its economic growth. Among the roles played by commercial banks include: The banks provides a safe custody for depositor's money by providing depositor's with safekeeping volts and accessibility of their cash at their convenient time; facilitate transfer of cash from one account to the another (IMF, 2014).

This provides convenience for depositor's transferring cash for payments; Lending services, banks offer loans to customers who need money for various purposes which is to be repaid overtime with interest; attaining self-sufficiency, commercial banks provide the incentive for entrepreneurs to take risk and use the idle funds for production. These funds help to develop various sectors in the economy; banks provide security for traders engaging in international trade (CBK, 2016).

Global banking, since the international financial crisis, has drastically changed, and two of the advancements stick out. International banks, chiefly, the European ones have minimized their lending across borders, this refers to direct lending to firms outside their country that they are not associated with. Meanwhile, loans given out locally by the bank's they are associated with outside their country continued to be constant. Some of the changes global banking faced included curtailment of the banks that are international from the particular sections of the market, new actors arising to fill the subsequent holes, and bank regionalization (IMF, 2015).

A decline in capital flows cross-border banking can bear an adverse impact on the stability of the economy. The curtailment of cross-border lending in banking associations, may lead to a reduction in risk distribution and diverseness (Allen et. al., 2011), due to the reduction of the risk of domestic economic shock, done through investing or lending outside of the country. On the other hand, from the beneficiary's outlook, cross-border lending will tend to reduce the unpredictability of commercial credit due to the fact that these offshore banks are less naked to domestic economic shock, and can cope with local stress. Cross-border flow, on the other hand may be the likely contributor to the spread of domestic economic shock, thus, unpredictability may increase (IMF, 2014).

Kenya, having more banks per individual than any other African market, is the global leader in mobile money innovation. Opportunities are available in East Africa and over, and financial assets can be rapidly increased to satisfy developing administrative requirements. Offshore banks are exposed to stiff rivalry from local contenders, but the capacity for future development signify that more will be eager to enter. Key to success in Kenya is the ability to build and develop products and establishments that reacts to the client's wishes for accessibility and effectiveness by way of different banking channels like mobile, internet and utilizing agency banking. This opens growth markets in other segments, including small and medium-sized enterprises (SMEs) and the informal sector, that have traditionally been less involved in formal banking services (CBK, 2016). Similarly, banks realize that what works in Kenya could be a platform for growth across neighboring countries and further afield, and a race for new customers means expanding branch networks both in Kenya and in the EAC region.

1.1.5 Kenya Commercial Bank

KCB is owned by a holding company, which oversees the branches in Kenya, and all the other KCB regional units in East Africa. It was incorporated and started operating as an authorized establishment on the first day of January, 2016. Also in their ownership are KCB insurance agency, KCB foundation, KCB Capital and all the other affiliated firms (KCB, 2016).

The Kenyan banking industry has 42 commercial banks and one mortgage-finance institution hence increasing industry rivalry. Other factors such as number of players in the industry and scarcity of resources also increase the level of industry competition. Kenya Commercial Bank is considered one of the key players in the industry and it employs various strategies to ensure that it remains competitive (CBK, 2016).

Kenya Commercial Bank uses strategic management to attract, please, respond to changing conditions in the market, competing successfully, conducting operations and develop capabilities to enable it become industry leader. Therefore, Kenya Commercial Bank should apply strategic management to ensure a position that is favorable amidst competition and improve its accomplishments in relation to their rival (IMF, 2014).

1.2 Research Problem

For an organization to be more enterprising rather than reactive, strategic management is not necessary in the shaping of the firms future. It compels firms to begin and make changes in activities, so that it exercise control over its fate. Porth (2002) claims that strategic management involves a blend of planning and management, strategic planning being one of the main instruments.

The approaches of a company entails co-ordinating its goals with the accessible resources. This allotment process serves as the overall purpose for a company, be it part of a grandiose scheme, the general target or approach aimed at keeping the firm in operation. The managerial importance of this issue has stimulated a lot of research focused on strategic management in the last four decades.

The global banking scenario in turn affects Kenya's banking industry. Economic liberalization, globalization and increase in the number of players fighting for the same customer in the industry. This has led to stiff competition, as the fight for customers seems to be never-ending war. Commercial banks as a result use strategic management to become competitive. Advantages acquired from strategic management have since began to be identified by more people including administrators, small enterprises proprietors and presidents of a number of non-profits and for-profit firm.

The global banking has undergone vast changes in the last two decades. As a result many conventional businessmen are faced with a choice to either of being removed or interruption of their business strategy in order to flourish in future. Simplification of businesses and operational models by large institutions such as banks and capital markets in the past has been useful for both economic purposes and minimize complexities in organizations. According to Mintzberg (2003) strategic management in the banking industry in an organization dictates that with an efficient system place it then becomes easy to counter unforeseen circumstances that can support their operations and reduce perils encountered by any of innovations.

A number of studies have provided the discipline with insights into the practice of strategic management and competition. These studies include: Qiuhong &Tiorini, (2009) who conducted a research on Strategic management in East Asia LSOs: The Case Study of LSOs in China and Indonesia. The research method used in the study was qualitative in nature. A case study was used to carry out the research and collect the primary data through an interview guide. The target respondents included the middle level management and top management of the company.

Lefebvre et al. (1992) analyzed the suitability of Porters model of general strategies on manufacturing companies that are small, and analyzed the link between type of strategy adopted, and technology and innovations management. Firms which use information technologies in their operations in Isparta were randomly selected 251 firms as the sample of the research. Primary data was collected using a questionnaire. A questionnaire survey was carried out in Isparta, Turkey. In this study, respondents were asked to rate on seven-point Likert scales (1: certainly disagree, ..., 7: certainly agree). The target respondents were chosen from the information systems professionals and managers same level in position in firms.

Beer and Eisenstat (2000) studied the challenges of strategy implementation among the Telecommunication firms in India. The study adopted a descriptive study in which a survey research design was adopted. Data collection tool adopted was a questionnaire which targeted employees at the management level. The study found that in almost all the firms analyzed in India. ; the problem was not the poor comprehension of environmental powers, or unsuitable strategic planning.

Akinlabi (2010) analyzed the effects that strategic management has on the collective performances of small medium enterprises in Lagos town, Nigeria. The study adopted a descriptive survey design. The small and medium enterprises were sampled. Data was gathered using a questionnaire with both open ended and closed ended questions. The study concluded that both company profitability and firm market share are improved by strategic management practices, and thus indicates that concepts in strategy planning should be utilized by business companies.

Ongaga (2006) studied the reactions of Kenol to alterations in its external environment. The research study was a case study. The objectives were achieved by collecting primary and secondary data. Primary data was gathered through personal interviews with respondents who were the departmental heads. Secondary data was gathered from published and corporate development plans. Secondary was collected was analyzed through graphs. Kalunge (2009) analyzed the use of the internet in concluding the type of rivalry present in banks in Kenya that are commercial, within the context of the five forces strategy. The study adopted a descriptive study in which a survey research design was adopted. Data collection tool adopted was a questionnaire which targeted employees at the management level.

Kiptugen, (2003) analyzed the strategic reaction to an ever-changing competitive sphere, a KCB case study. The study was a case study. Data was collected using open ended and closed ended questionnaire. The questionnaires were distributed to management staff of KCB. Data collected was analyzed through descriptive statistics. In his research he looked into strategies adopted by KCB to manage competition in the constantly changing competitive environment in general.

Njihia, (2008) researched on the strategic reactions of KCB to changes in the banking establishments in Kenya. This particular study was conducted through a case study and it is considered suitable as it allows an in depth study of the subject. The study used primary data collected from key informants through interviews and it involved top level management of the organization. The data was qualitative in nature and therefore, content analysis was used to analyze the data.

From the above, there is no study focused on the relevance of strategy management in a rivaled business sphere on KCB. This study thus, seeks to determine the relevance of strategic management at Kenya Commercial Bank in a competitive business environment. The key question for the research is: What is the perception of management employees on strategic management practices in a competitive business environment at Kenya Commercial Bank?

1.3 Research Objective

This research sought to establish the perception of Management employees on strategy management practices in a competitive business environment at Kenya Commercial Bank.

1.4 Value of the Study

The results of the research assists management and staff of Kenya Commercial Bank and other industry players in making sound decisions with regard to strategy and industry competition. The study further provides invaluable insight on the importance of applying strategy in business to gain competitive advantage. Therefore, the study findings inform managers on the need to apply strategic management to gain a competitive advantage.

The study findings inform policy makers who attempt to explain a phenomenon or address an existing knowledge gap. Information on strategy and industry competition directs the authorities in coming up with appropriate guidelines and legal mechanisms that are aimed at guiding operations and promoting growth in the banking enterprise.

The empirical evidence obtained from this research study function as a source of literature to future academicians. The research provides further perception into whether the strategy management is upheld or opposed. This provides the extension of the literature which in the future will be analyzed, and new hypothesis formulated from it.

The study leads to more insights to the theoretical review in the area of strategic management; it also aids other scholars reviewing the same topic in their studies. The research study was also expected to point out other important areas in the study that require further research.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter displays literature review. First, a review of the theories is presented highlighting on the theories of strategic management practices. The theories used in this study are profit-maximizing theory, Resource-Based View, Perception-Based View and lastly Dynamic capability theory.

Secondly, the relationship between strategic management practices and competitive business environment is detailed. This will provide us with an understanding of the results of other analysis, comprehension of the aspects of the strategic management practices and competitive business environment to acknowledge their contribution towards the existing body of knowledge.

Lastly, the empirical studies will be provided whereby studies by previous scholars will be discussed. This will include both the international and local studies. From the empirical studies, the research gap will be provided necessitating the need of conducting this research.

2.2 Theoretical Foundation

In the study of strategic management, there are several theories that attempt to explain strategic management practices and competitive business environment. In particular, these theories include the theory of profit-maximizing and competition-based, the theory of resource based and the theory of dynamic capability.

2.2.1 Profit-Maximizing Theory

Profit-maximizing theory emerged in the 18th century. Alfred Marshall in his publication, Principles of Economics, produced and distributed in 1890, discussed in detail this theory (Hornby, 1995). Other scholars on this theory include Robinson (1933), Friedman (1970), and Ansoff (1989). This theory assumes that the main goal a business is to maximize profit hence the need to become competitive in the industry.

According to Ansoff (1989), a company reaches its targets through acquiring profit, and importantly through turning its resources into products or services, and later acquiring profit from these sales. In respect to this, the existence of the company relies solely on these returns, unless, in this case, they are utilized for the creation of future returns, then the company is set to collapse.

Study findings by Hornby (1995) found that maximization of returns remained to be the most important aim for leading Scottish firms, in both the short and long terms, and in times of a slow economy, and a booming one. This theory has faced criticisms overtime.
In any event, this theory did not receive much support in the small business enterprise literature.

Friedman (1970) notices the varying outlook of the theory, in which the maximization of returns could possible not be the only aim of the in so long as the ethics and law customs permitted. The main concern over this theory was corporate social responsibility, that business has a responsibility to perform business according to their desires while conforming to rules of the society and the rule of law.

2.2.2 Resource-Based View

Resource based theory complements the industrial organization view developed by Bain (1968). This theory emerged in the 1980's by Barney, Prahalad and Hamel. This theory complements the industrial organization view developed by Bain (1968). The resource based theory explains why firms in the same industry might differ in performance. Firms use their internal resources or capabilities to gain competitive advantage and top its competitor's.

In the resource-based theory, resources or capabilities like specialized human capital, technological knowledge, or managerial expertise have the potential to create value when shared across businesses (Miller, 2006). Firms obtain competitive advantage that is sustainable by exploiting their inner strengths by way of reacting to the opportunities provided by the environment, while simultanouesly counteracting the external risks and evading internal disadvantages (Barney, 1991).

The resource based view of firms is based on two main assumptions: resource diversity and resource immobility (Barney, 1991). Resource diversity (also called resource heterogeneity) pertains to whether a firm owns a resource or capability that is also owned by numerous other competing firms, then that resource cannot provide a competitive advantage. Resource immobility refers to a resource that is difficult to obtain by competitors because the cost of developing, acquiring or using that resource is too high.

The resource based faces a number of limitations, this includes; sustained competitive advantage is not achievable: since the ever-changing environment where conception and changes are vital to stay in front of competition. Maintenance of a competitive vantage point according to the view of the resource based theory can be achieved if the resources meet the VRIN criterion. In this dynamic environment however, the competitive vantage point will be temporal (Barney, 1991). This view is centering on the inner arrangements of the company, and the external components like the demands of the market are not regarded.

2.2.3 Perception-Based View Theory

The theory of perception-based view emerged from Adams, J. S. in the early 1960's. Different to the logical processes of decision making used commonly in the mainstream study of management science, a substitute plan referred to as the employee's perception-based view in decision making points to the utilization of belief, emotion, and perception for use in the selection of a reasonable substitute in pursuant of their objectives (Adams, 1965).

One of the main purposes of the employees perception based view is to explicate the fluctuation of behavior and or in decision amid employees in similar situations. It thus tries to answer two distinctive queries; why there exist differences in decisions, between individuals in the similar situations, facing a similar object; why it seems that illogical decisions are made by individuals, contrary to what is expected by theories of logical choice (Kotter & Cohen, 2002).

Intuitions can be described to be multi-dimensional and have behavioral connection to decision making in humans. What can we then say are the involvement of intuitions on decision making and behavior? Why a response to change is connected to this? if an agreement was made that humans utilize intuitions as data when a reaching to a decision. PBV therefore, handles how intuitions, beliefs, and emotions are utilized by people when making a decision or solving a problem. At a theoretical level, we can describe it as handling the impacts and involvement of metal factors on a person's decision making in a selection situation. If so, the primary question is concerned with the degree to which mental and emotional factors exercise an effect on a person's decision making and behavior (Kotter & Cohen, 2002).

To showcase the disadvantages of the PBV view, take into account that refusal of change by an employee only relies on two intuitions; perception A and Perception B. Lets assume that each of the two has a favorable impact on an employee's refusal of change; in other words, the bigger the level of perception A, the bigger the level of refusal to change turn.

2.2.4 Dynamic Capability Theory

Dynamic capability theory emerged from Gary Hamel's working paper 1989 "multinational strategy research leading to Core Competencies of the Corporation". This theory emphasizes the ability of a firm to blend, construct, and figure again internal and external capabilities and speak on the swift evolving environment. Ever-changing competences therefore mirror the firm's capacity to attain new and inventive types of competitive vantage point, given dependencies of path, and positioning of markets (Helfat et al., 2007 & Teece, 1997).

In 1994, David Teece and Gary Pisano further discussed two important issues otherwise discussed in the other strategy approaches, such being resource based perception, with the first one referring to need to adjust to the changes in the business sphere, due to the company's capability to restore competences. The second one refers to the utilization of these competences by the strategic management in order to equal the requirements of the marketing environment (Teece et al., 1997). DCT, by trying to make the theory through the illustration of the character of the supported competitive vantage point, adds to the resource based view, at the same time planning to communicate the managerial practices (Teece et al., 1997).

They argue that core capabilities can turn to core rigidities and hinder development because of manager's reluctance to move away from institutionalized ways of doing things. Core competences bring in the issue of path dependence into the dynamic capabilities theory. The ever changing capability approach cannot merely be referred to as the inward-looking perception of the organization and its strategies.

The primary concentration is on the level of 'fit' between a company's changing eternal sphere and its changing activities and portfolio capabilities (Porter, 1996). Wang and Ahmed (2007) however, argue that contradictory claims in the literature of ever-changing competences. Zollo and Winter (2002) expressed that ever-changing competences are organized and constant in companies. On the contrary, Rindova and Kotha (2001) uncovered that ever-changing competences emanate and change s within companies. As a result, the definitional problems of the ever-changing competences are still to be cleared

2.3 Strategic Management Practices and Competitive Business Environment in Organization

Banks use strategic management as a tool for creating and exploiting of new and different opportunities for the future. These opportunities should be in line with the vision of the organization. Strategy management approach is considered to be a significant practice because it strongly influences the performance of a company (Hunger & Wheelen, 2000). Strategy management practices that have been adopted by financial institutions are as a result of models that have been developed in the recent past and tend to act as the framework for most firms as they go about developing their strategies. Banks undertake the following practices scanning of the environmental scanning, formulation of strategies, implementations of strategies, and evaluation of strategies.

Environmental scanning ascribes to the process of collection, scrutinization and the provision of data for the purposes of strategy (Thompson & Strickland, 2003). It aids in the analysis of the internal and external components affecting a firm. Internal scanning of the organization should ensure the involvement of the administrators and employees from the entire company in concluding the effectiveness and disadvantages. The internal scanning requires gathering and assembling of data concerning the organizations management, production, finance, marketing, research and development, and operations of the management information system. With sufficient gathering of information, the organization will be able to identify its strengths and weaknesses. External scanning The Company ought then to react to the data acquired through changing the plans and strategies when it is needed.

Strategy formulation can be described as the of coming up with the best plans for meeting the company's goals, therefore accomplishing the firms purposes (Thompson and Strickland, 2003). Subsequent to conducting the scanning of the environment, the administrators will create corporate business and effective strategies. Thompson & Strickland (2003) argue that in order to attain success, a strategy that maintains a constant focus on a vivid comprehension of the game. The formulation of a sharp knowingness on how to move into a vantage point is involved. Most organizations would craft and implement effective strategies to enable them face the future with more certainty.

Creation of strategies, in a partnership way involving consultation and participation is important in achieving an effectual strategic fit with the environment. The process of creating strategies should incorporate important shareholders who affect and share control of the firms resources the process of creating these strategies should also have the involvement and approval of top administrators in the firm, and senior managers should partake a leading role (Thompson & Strickland, 2003).

Implementation of the strategy connotes to putting the company's chosen strategy into action, or making it perform as it's meant to. Strategic implementation is the process of the application of strategies and policies into play (Thompson & Strickland, 2003). This is usually done through the use of programs for developments, budgets planning and applying procedures. They can also refer to the results acquired through the application of te earlier stated procedures, once authorization for the strategy decision were mad and the plans put into action (Miller et, al., 2004). We can also define strategy management as the processes by which big complicated problems are resolved into lesser ones, and can therefore be easily managed in parts (Hrebiniak & Joyce, 1984).

Strategy evaluation is the final step of strategy management process. Strategy evaluation determines whether an organization is achieving its desired goals by comparing its actual performance against the performance they desire. Performance can be described as the final outcome of activities, and the actual results of the process of strategic management (Wheelen & Hunger 2006). The main activities involved in strategy appraisal are, evaluation of both the internal and external factors found in the current strategies, the measure of performance and undertaking corrective plans. Appraisals require feedback. Earlier made decisions, when a firm is in the development stage, must be taken back to the drawing board, and the strategies examined and then amended (Wheelen & Hunger 2006). Appraisal takes advantage of the strategy for organization and execution when in the process to trying to attain the company's goals and targets.

Competitive business environment is considered is the externa environment where firms compete and function. Banks strive to position themselves in the turbulent business environment by gaining a competitive advantage over its rivals. Strategic management practices are a necessary ingredient for successful implementation and execution of programmes in banks hence creating a competitive advantage. A company will have a competitive advantage point anytime it creates a one –up over the competitors when acquiring consumers, and when protecting themselves from rivaled forces (Thompson & Strickland, 2002). Organizations therefore have to consistently scan its business or competitive environment in which they operate and their own strategy.

Definition of the market must be accurately made so that a firm can fully comprehend the nature of the rivalry they face. This therefore involves identification of a huge number of rivlals. A lot of firms endeavor be competitive, but only few have a comprehension of what it entails, and ways in which they can attain and maintain it. A competitive vantage point can be acquired through the use of great values, low prices and provision of high quality services. The value of a competitive vantage point can be resolved by connecting it to te benefits assumed by a consumer group ready to purchase those benefits, and may not acquire such benefits anywhere else (Day, 1984).

According to Porter (1985) the three general strategies that a company can use to obtain an edge over their competition includes; cost differentiation, cost leadership, and finally focus. Cost leadership looks to be the one producing low costs in a company, as compared to their rivals. The level of competition in the business environment is explained by the five force model by Porter. Porter (1980) introduced the strategy of five rival forces in a company's environment which affects competition such as degree of rivalry, risk of a new competitor and existence of alternative products. Vertical competition is affected by the force of the bargaining powers of the distributors, and those of the consumers. Porter (1980) further claims that the above named forces may be the cause of the adoption of specific strategies by companies. This is done for the purpose of acquiring a vantage point over the competitors, so that they can better comprehend the level of competition in the industry.

2.4 Empirical Studies and Research Gap

A significant factor in management is strategic management, which up to today brings out research interest amid academicians; this can be associated with the universality use of the discipline. Contributions to management processes through strategic management include the production of pertinent data, formulation of a better comprehension of the environment and lessening of doubt. The capability of a company to determine its exact position is what organizational performance settles on (Porter, 2004).

The investigation of the distribution of the proposed strategic management instruments by Askarany and Yazdifar (2012) over the past decades through utilizing the theory of organizational change, analyzed the connection between the use of these procedures, and the organizational performance in the New Zealand companies for manufacturing and non-manufacturing. The results suggested an important connection exists

Ofunya (2013) analyzed the relationship of using strategies in management practices and firm performance in Post bank in Kenya. Case study research design and analysis of Variance was put to use. The research uncovered that the plans Post Bank utilized in order to handle the competition included provisions of excellent customer care, enhancements of operational effectiveness, and lastly, a hunt for a reduction in cost.

Mwangi (2013) examined the management of strategic practices and performance of large pharmaceutical companies in Kenya. The study was conducted as a cross-sectional survey and the researcher used questionnaires as primary data tools. The study findings revealed that the companies that were using strategic practices were more ready to invent, be risk takers, and were ready to take preventive measure than their rivals.

A recent study by Ujunwa & Modebe, (2012) in Nigeria supported the idea of the utilization of strategic management concept in guaranteeing effectiveness of the capital market subsequent to the assumed important role of the capital market in progression of the economy. They examined strategic measures ranging from efficient management to achievement of a favorable environment macroeconomically. They postulated that apart from influencing the functions of the capital market to foster economic development, these strategies also advanced the effectiveness of the capital market.

Muogbo (2013) study investigated the impact of strategic management on organizational growth and development of selected manufacturing firms in Anambra State. The study utilized descriptive statistics, chi-square tests and Anova. The findings from the study showed that management of strategies was not commonly used in the manufacturing companies of Anambra, however, its positive acceptance had a major impact on the competitiveness and affected the companies.

Gichunge (2007) analyzed the impact that management of strategies had on the performances of mid-sized manufacturing firms in Nairobi. The study analyzed the degree to which management of strategies is accepted by the firms, and the link between the adoption of the management of strategies and the organizational performance. The data obtained was examined statistically using SPSS and R packages though the use of examination, tabulation and proportions. The findings indicated that the firms had not accepted the utilization of management of strategies, and that firms that adopted the use of formal management of strategies performed exceptionally compared to those who didn’t.

This paper has reviewed the relevant literature and the considerable discussion of Strategic management practices and its effect on various elements of business competitiveness (Gichunge, 2007). The researchers have examined the way in which strategic management practices may be used to influence business performance. Empirical proof already in existence is however largely established on developed countries while few of them are on third world countries like Kenya.

There is therefore a gap as far as studying the effects of strategic management practices on organizational competitiveness. It is evident that it has not been done fully especially in the emerging markets. In addition, a large number of researchers conducted took place in developed countries and they are not conclusive. This research therefore seeks to fill this gap by analyzing employee perception on the effects of strategic management practices on organizational competitiveness in Kenya commercial banks in Kenya.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter reviews the research methods and designs that the researcher will use to gather, analyzes, present data and discuss the findings of the research study. Some of the areas that particularly need to be covered include the research design, population, collection of data, analysis of data, and presentation.

Given that this study focused on Kenya Commercial Bank, the research design adopted was a case study. The data collection process involved the use of questionnaire to collect primary data. The questionnaire was comprehensive to facilitate achievement of this study objective.

The population of study included the 370 employees in management position at the Kenya Commercial Bank. This population was sample to 37 employees. Collected data was summarized, coded, classified and tabulated using statistical package for social sciences (SPSS). The result was displayed in graphs, pie charts and tables.

3.2 Research Design

The research design adopted a case study design which illustrates existing links (Yin, 1984). The researcher adopted this case study design because of its ability to capture reality in great details. It allows the researcher to study the events in its natural environment, and collection of data from more than one entity.

Case studies are useful when the attention is on an event that recently happened (Yin, 1984). In this study, the focus is to find out the perception of employees on strategic management practices in competitive business environment at Kenya Commercial Bank. A case study also is suitable when the focus is on a recent event (Yin, 1984).

A case study is an empirical inquiry that investigates a phenomenon within its real-life context of one organization. In this study, the focus is to identify the perception of employees on strategic management practices in competitive business environment at Kenya Commercial Bank.

3.3 Data Collection

Data collection entails gathering and measuring information on variables of interest. This is done in a systematic way. This enables one to answer stated research questions, test hypotheses, and evaluate outcomes (NIU, 2015).This study utilized primary data.

To collect the primary data, questionnaires were used. They were well structured in line with the study objective. The objective was to perception of management employees on strategic management practices in a competitive business environment at Kenya Commercial Bank.

The questionnaire was sectioned into three parts. Section A being interested in the background information. Section B dealt with strategic management practices in a competitive business environment at Kenya Commercial Bank; Section C was concerned with the Extent of Achievement of the Implementation of Strategic Management Practices in a Business Environment that is Competitive.

3.4 Population of the Study

Items that are under consideration in any area of study constitute a ‘universe’ or ‘population’ (Kothari, 2004). According to (Cooper and Schindler, 2008), an entire group of people or items from which the results from a research looks to generalize in, is referred to as a target population.

The population of this study consisted of employees (management staff) for Kenya Commercial Bank. The total number of staff in management position at the Kenya Commercial Bank consists of 370 employees.

3.5 Sampling

Sampling can be described as the act, process, or technique of selecting a suitable sample. Specifically it is the act, process, or technique of selecting a representative part of a population for the purpose of determining parameters or characteristics of the whole population. It can also be defined as a small part selected as a sample for inspection or analysis.

Mugenda et al (1999) suggested that for discipline studies, 10% of the accessible population is enough for a study sample. For purposes of this study, the sample size will be 10% of the management of 370 management staff. This leads us to a sample size of 37 employees.

The 37 employees will be randomly selected to avoid biasness. They will be approached and given the questionnaire which will be on a drop and pick later basis. The collected data will then be analyzed as shown in the next section.

3.6 Data Analysis

The evaluation of data through analytical and logical reasoning constitutes data analysis. Before processing the data, the completed questionnaires were sorted, checked and edited for completeness and consistency. The data was then coded to enable the responses to be grouped into various categories.

Coding of the data took place to assist the responses to be categorized into various groups. Descriptive statistics was then utilized in the analysis of the quantitative data. Coding was performed in Statistical Package for Social Science (SPSS), the analysis was made, and the results explained in standard deviation, in mean scores, in percentages and frequencies. The result was then displayed utilizing graphs, pie charts and tables. This was enhanced by an illustration and elucidation of the data.

To ensure efficient and effective data analysis, factor analysis which used SPSS method was used to regroup and reduce the data to a small number of underlying common factors or domains that summarized the data to help in the interpretation through recording of variables. The objective of the study was to determine the perception of management employees on strategic management practices in a competitive business environment at Kenya commercial bank. To achieve this, factor analysis was used to determine the perception of management employees on strategic management practices.

This chapter clearly stipulated the methodology that was used to collect data. The research design, data collection, population and data analysis method was shown. The data collected will be presented and discussed in the next chapter.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter details the findings of the study with respect to the objectives of the study and has three major sections. Respondents' demographic characteristics were first presented, secondly, findings on strategic management practices in a competitive business environment and strategic management practices and business competitiveness.

This chapter analyzed the data using regression analysis. The regression model was used to determine the relationship between the dependent and independent variables. The dependent variable is performance of Kenya commercial bank while the independent variable is strategic management practices.

The findings of these research obtained from the analysis of data from the research tool used is elucidated and displayed. It was modeled to fit with the goals of the research study. The research used statistical package for social sciences (SPSS V 21.0).

4.2 Respondents' Demographic Characteristics

The demographic data obtained from individual respondents and their background is examined in this segment. Doing this will enable the researcher comprehend the respondents setting and their capability to provide useful data.

4.2.1 Response Rate

37 respondents were marked when the data was being collected. A total of 27 respondents, out of the marked 37 filled and submitted the questionnaire, and their response percentage was 73. Mugenda and Mugenda (1999) indicated that a response percentage of more than 70 is to be considered good enough for examination.

Table 4.1 Response Rate

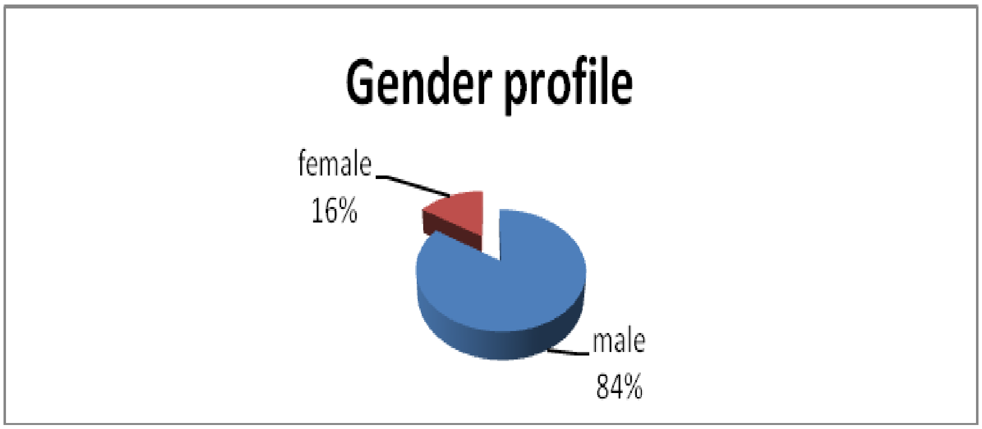
Target Population	37
Responses	27
Response Rate	73%

Source: Research data (2017)

4.2.2 Gender of the Respondents

The gender of the respondents was important in this study, since it was critical in the comprehension of how their different gender identifications impacted their responses.

Figure 4.1: Gender of the Respondents



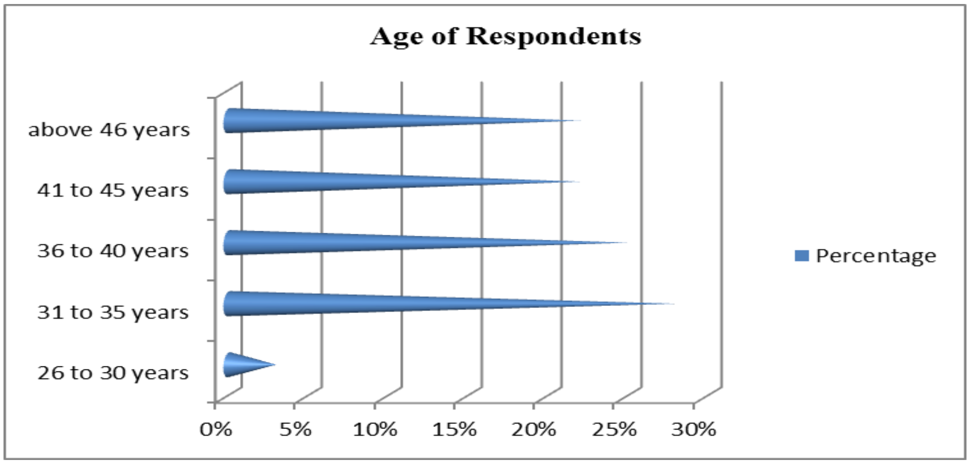
Source: Research data (2017)

Figure 4.1 indicates that more men participated in the research study than female respondents.

4.2.3 Ages of the Respondents

Age in this study was significant due to the fact that age and technology are two factors that highly correlate. This is according to the theory technology acceptance. The findings are shown Figure 4.2.

Figure 4.2: Ages of the Respondents



Source: Research data (2017)

Figure 4.2 indicate five age group of the respondents, most respondents fell in the age group of 31-35 years (28%), second category being age group 36- 40 years at 25%, followed by age groups 41-45 years and above 46 years followed while age group of 26 years scored the least at 3%.

4.2.4 Length of Time in Kenya Commercial Bank

The researcher sought to find out the length of the period that the respondents had worked in Kenya commercial Bank. The findings are shown in Table 4.2

Table 4.2: Length of Time in the Banking Industry

Duration of work	No.	Percentage
1 - 2 Years	1	4%
3 - 5 Years	13	48%
6 - 10 Years	10	37%
11 - 15 Years	3	11%
16 - 20 Years	0	0%
21 - 25 Years	0	0%
Over 25 years	0	0%
Total	**27**	100%

Source: Research data (2017)

The findings in table 4.2 show that 4% of the respondent had worked in the banking industry for a period of between 1-2 years, while 48 % had worked in kenya commercial Bank for a period of between 3-5 years, 37 % had worked in the banking industry for a period of between 6-10 years, while 11% had worked in the banking industry for a period of between were 11-15 years, while none of the respondents had worked in the banking industry for more than 20 years . The conclusion from this therefore is that the length of time served relevant for the respondents to make conclusive contributions to this study. Further, it indicates that most of the respondents had most worked in the bank between periods of 3-5 years and 6-10 years.

4.2.5 Highest Level of Education

The researcher sought to identify the respondent's highest level of education. The findings are shown in Table 4.3.

Table 4.3 Highest Level of Education

Level of Education	Frequency	percentage
O level	0	0%
Undergraduate Degree	25	93%
Postgraduate Degree	1	3.5%
Other (Specify)	1	3.5%

Source: Research data (2017)

The findings in Table 4.3 indicate that most of the respondents (93%) indicated that they had Undergraduate degrees; while 1% was a postgraduate degree holder and another 1% had other qualifications. This indicates that majority of the study respondents had attained undergraduate degree as their highest level of education an indication that they had requisite educational qualification to make reliable contributions to this study.

4.3 Strategic Management Practices in a Competitive Business Environment

The table below is the representation of employee perception of the strategic management practices in a competitive environment at Kenya commercial Bank. The response was based on likert scale of 1-5. Where 1= Not at all, 2= little extent, 3= Moderate extent, 4= Great extent, 5= very great extent.

Table 4.4: Strategic Management Practices Initiatives in Place

Strategic Management Practices Initiatives In Place	MEAN	SD
Undertaking of competitor analysis to find out what competitors are doing in terms of technology, funding, new products, pricing, customer acquisition and marketing activities	5	0.01
SWOT Analysis to helps top management in KCB know how they are performing and how they can maximize on their strengths, improve on their weaknesses, exploit the opportunities and mitigate threats to the business	5	0
Effective stakeholder relationship management.	4.8	0.01
Up-to-date customer relationship management	4.73	0.385
Being the market leader in the implementation of corporate governance principles	4.51	0.5
Adoption of enterprise risk management	4.51	0.51
Operational cost evaluations	4.51	0.51
Enterprise Risk Management	4.41	0.5
Adoption of Latest new technology in banking	4.41	0.5
Effective communication systems	4.41	0.5
Management commitment	4.41	0.5
Effective monitoring and planning	4.41	0.5
Follow-up on consumer demand	4.13	0.456
Undertaking of market surveys for better consumer insights	4.13	0.656
Average mean score	4.526	

Source: Research data (2017)

The findings indicate that the major strategic management practices implemented enhance competitive advantage to a very great extent; Undertaking of competitor examination to find out what competitors are doing in terms of technology, funding, new products, pricing, customer acquisition and marketing activities (5); and SWOT Analysis helps top management in KCB know how they are performing and how they can increase their strength, enhance their weaknesses, make good use of their opportunities, and lessen the impacts of risks to their businesses (5); up-to-date customer relationship management (4.73); being the market leader in the implementation of corporate governance principles (4.51); operational cost evaluations (4.51) and effective stakeholder relationship management (4.51). While adoption of enterprise risk management (4.41); adoption latest technologies in banking (4.41); Effective communication systems; Management commitment; Effective monitoring and planning; follow-up on consumer demand (4.13) and undertaking of market surveys for better consumer insights (4.13) enhance competition to a great extent.

4.4 Strategic Management Practices and Business Competitiveness

The objective study was to identify employee perception of the effect of strategic management practices and business competitiveness at Kenya commercial Bank. The table below shows the mean and the standard deviations of the responses. The mean is the representation of the majority opinion of the respondents in reference to the likert scale data where 1= Not at all, 2= little extent, 3= Moderate extent, 4= Great extent, 5= Very great extent.

Table 4.5: Gains achieved by the organization

Following the implementation of strategic management practices the following gains have been achieved by the organization	Mean	SD
Increased its market network to other regions in the country	5	0.01
Enhanced quality of services compared to rivals in the industry	4.73	0.385
The firms has achieved competitive advantage over their rivals in the market	4.73	0.385
Strategic management practices initiatives in place	4.73	0.385
The company and has experienced high customer satisfaction to a very great extent	4.51	0.51
The firm has increased profitability and revenues	4.51	0.51
The company and has experienced high employee satisfaction	4.13	0.456
Average mean score	**4.62**	

Source: Research data (2017)

From the findings, the respondents indicated that the following strategic management practices have resulted to the following gains to a very great extent, that is: Increased its market network to other regions in the country (5); enhanced quality of services compared to rivals in the industry (4.73); Strategic management practices initiatives in place (4.73); The company and has experienced high customer satisfaction to a very great extent (4.51); The firm has increased profitability and revenues (4.51). While the respondent agreed to a great extent that the company has experienced high employee satisfaction (4.13).

The findings concurred with Pearce II and Zahra (1991) in a research that included 139 organizations that are listed in the Fortune 500 firms, it was discovered that there existed a favorable link between Strategic management practices and the prices per share of companies, increase in firm customer base, asset quality, quality of service, increased production and increased market share. They argued that in taking appropriate measure at the rightful time where strategies seems to fail in achieving set goals, abilities and energies channeled to explicitly enhance strategies that propel firm's performance positively.

This implied that a favorable and strong correlation existed between management of strategies practices and business competitiveness because the firm increased its market network, improved on quality services, adopted effective strategic responses towards external and internal changes faced by the firm and experienced high customer satisfaction, increased its profitability, increased its customer base and market share to a very great extent. The study concurred with Hill and Jones (2000) who found that Strategic management practices through restructuring, adoption of flexibility, total quality management, adoption of technology and re-engineering led to increase in organizational market share, increase in customer base, enhanced production of quality services and gaining competitive advantage over rivals in the market.

According to the results, a large number of respondents pointed out that strategic decisions positively influence business competitiveness to a large degree. From the findings, majority of the respondents indicated that the firm has, increased its market network to other regions in the country, enhanced quality of services compared to rivals in the industry.

Adopted effective strategic responses towards external and internal changes faced by the company and have experienced high customer satisfaction to a very great extent. This implies that high levels of performance may result in adoption of strategic management practices. The study found that the firms achieved competitive advantage over their rivals in the market; increased profitability, gained high returns due to effecting Strategic management practices and increased volume of revenues.

4.5 Factor Analysis

To further bring out the key factors of strategic management practices in a competitive environment at the Kenya Commercial Bank, Factor analysis was carried out. Factor analysis resulted into communalities, total variance explained, and component matrix illustrated in Tables 4.6, 4.7 and 4.8 respectively.

Table 4.6 Communalities

Communalities

Items	Initial	Extraction
Undertaking of competitor analysis to find out what competitors are doing in terms of technology, funding, new products, pricing, customer acquisition and marketing activities		.826
SWOT Analysis to helps top management in KCB know how they are performing and how they can maximize on their strengths, improve on their weaknesses, exploit the opportunities and mitigate threats to the business	1.000	.823
Adoption of enterprise risk management	1.000	.801
New technology Adoption	1.000	.885
Consumer Demand Follow up	1.000	.819
Communication systems	1.000	.801
Management Commitment	1.000	.815
Effective monitoring and planning	1.000	.766
Undertaking of market surveys for better consumer insights	1.000	.861
Corporate Governance implementation	1.000	.750
Up-to-date customer relationship management	1.000	.693
Entrepreneur Risk Management	1.000	.730
Operational Cost Evaluation	1.000	.735
Effective stakeholder relationship management.	1.000	.663

Extraction Method: Principal Component Analysis.
Source: Research data (2017)

Communalities in indicate how much of the variance in the variables studied has been accounted for by the extracted factors. According to the communalities, any factor with an extraction of more than 0.8 influences the variable under study. Results on Table 4.6 indicate that eight (8) out of the fourteen (14) factors are the key strategic management practices in a competitive environment at the Kenya Commercial Bank. The implication of these findings is that these factors are the main strategic management practices practiced.

Table 4.7 Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.693	40.665	40.665	5.693	40.665	40.665
2	1.610	11.499	52.164	1.610	11.499	52.164
3	1.393	9.953	62.117	1.393	9.953	62.117
4	1.265	9.034	71.151	1.265	9.034	71.151
5	1.006	7.184	78.335	1.006	7.184	78.335
6	.592	4.229	82.564			
7	.511	3.652	86.216			
8	.492	3.512	89.728			
9	.378	2.702	92.430			
10	.365	2.610	95.041			
11	.299	2.135	97.176			
12	.176	1.258	98.434			
13	.125	.895	99.329			
14	.094	.671	100.000			

Source: Research data (2017)

Total variance explained shows all the factors extractable from the analysis along with their eigenvalues, the percent of variance attributable to each factor, and the cumulative variance of the factor and the previous factors. From the findings (Table 4.7), it was noted that the first component accounted for 40.67% of the total variance. The implication here is that most factors that influence strategy management practices at the Kenya Commercial Bank revolve largely along one component, which is competitor analysis.

Table 4.8 Component Matrix[a]

Items	Component				
	1	2	3	4	5
Competitor analysis	.556	-.497	-.428		
SWOT analysis	.595			.619	
Enterprise Risk management	.526	.489	-.447		
New technology Adoption	.523	.587			.508
Consumer Demand Follow up	.629		.481		
Communication systems	.599				
Management Commitment	.494		.751		
Monitoring & Planning	.607			.419	
Market Surveys	.634	.541			
Corporate Governance implementation	.801				
Consumer Relationship Management	.609			-.433	
Entrepreneur Risk Management	.760				
Operational Cost Evaluation	.777				
Stakeholder Relationship Management	.719				

Extraction Method: Principal Component Analysis.

a. 5 components extracted.

Source: Research data (2017)

Component matrix shows the loadings of the fourteen factors on the five factors extracted. Results from this matrix indicate that the higher the absolute value of the loading, the more the factor contributes to the variable. The key findings from this matrix indicate that the majority of the variables loaded more on factor one as opposed to the other factors.

4.6 Regression Analysis

A regression model was applied to determine employee perception on the effect of strategic management practices on the performance of Kenya Commercial Bank in Kenya. The dependent variable is performance of Kenya commercial bank while the independent variable is strategic management practices. The analytical model used in analyzing the relationship between the dependent and independent. Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable that is explained by all the four independent variables The research used statistical package for social sciences (SPSS V 21.0) to code, enter and compute the measurements of the multiple regressions.

Table 4.9: Model Summary

Relationship between Strategic management practices and Performance of KCB in business environment

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.733[a]	0.537	0.366	0.399

Source: Research data (2017)

R-Square is a commonly used statistic to evaluate model fit. R-square is 1 minus the ratio of residual variability. The adjusted R^2 (square), also called the coefficient of multiple determinations, is the percent of the variance in the dependent explained uniquely or jointly by the independent variables. 36.6 % of the performance at Kenya commercial banks could be attributed to the combined effect of the predictor variables.

Table 4.10 Summary of One-Way ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	3.5	7	0.5	3.147	.022[b]
Residual	3.019	19	0.159		
Total	6.519	26			

Source: Research data (2017)

The study used One-way ANOVA to establish the significance of the regression model. The significance value is 0.022 which is below 5% level of significance thus indicating a statistically significant relationship strategic management practices and a competitive business environment. The F calculated at 5% level of significance was 3.147 since F is greater than the F critical this shows that the overall model was significant.

Table 4.11 Regression Coefficients results

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	4.022	0.703		5.723	0
Increase its market network to other regions in the country	-0.419	0.172	-0.571	-2.433	0.025
Enhanced quality of services compared to rivals in the industry	0.033	0.18	0.049	0.183	0.857
The company has experienced high customer satisfaction to a very great extent	0.51	0.171	0.891	2.984	0.008
The firm has achieved competitive advantage over their rivals in the market	0.131	0.148	0.182	0.883	0.388
The firm has increased profitability and revenues	0.264	0.176	0.366	1.5	0.15
The company has experienced high employee satisfaction	-0.445	0.157	-0.9	-2.832	0.011

Source: Research data (2017)

The regression equation above established that holding all other factors constant (no strategic management practices) performance of Kenya commercial bank would be at 4.02. A unit increase in strategic management practices would lead to a decrease its market network to other regions in the country by -0.419. A unit increase in strategic management practices would lead to enhanced quality of services compared to rivals in the industry by 0.033. A unit increase in strategic management practices would lead to a high customer satisfaction by 0.51. A unit increase in strategic management practices would lead to the firm achieving competitive advantage over their rivals in the market by 0.131. A unit increase in strategic management practices would lead increased profitability and revenues by 0.264. A unit increase in strategic management practices would lead to a decrease in employee satisfaction by -0.445.

4.7 Interpretation of the Findings

From the above regression model, the study found out that adoption of strategic management practices enhances the performance of Kenya commercial bank in Kenya .The independent variables that were studied explain a substantial 50% of the performance of as represented by adjusted R^2 (0.3666). This, therefore, means that the independent variables contribute 36% of the performance while other factors and random variations not studied in this research contribute 50% of the performance.

This study was anchored on the Resource based theory and environmental dependence theory. The perception of resource-based (RVB) stresses the company's resources as being the principle determining factor of performances and competitive vantage point (Peteraf & Barney, 2003). The research showed that the high ranking administrators in KCB have accepted the use of varied management of strategic practices.

This is consistent with the literature where according to Strickland (1996), the management of strategic practices involves setting up the company's long term objectives like performance targets; formulation of procedures aimed at achieving these targets, considering both the internal and external situations needed to carry out the selected plans.

The senior management implements the strategic management practices while following the six steps of the management of strategies process. This was found to be coherent with the publications according to Pearce & Robinson (2007) they identify and list the six steps of the strategic management process as formulation of the company's mission and vision, situation examination, conclusion of the strategic targets, strategic examination, decision, and execution of the strategies and finally strategic analysis and control.

The senior management in KCB gathers and analyzes information concerning the business market and also other external or internal causes that affects its operation and business. This is done annually prior to the principle strategy meeting because of the ever-changing behavior in customers.

This practice is consistent with the literature, where according to Humphrey Albert, 2005; a company carries out situational analysis by focusing on the internal sphere of the company as well as the external sphere surrounding the firm. Management does this by carrying out a SWOT examination which refers to a structured method of planning that is utilized to analyze the Strengths, Weaknesses, Opportunities and Threats surrounding a plan or business (Humphrey & Albert, 2005).

The senior management in KCB reviews the strategic management decisions. The reviews are carried out at different levels. Changes in the business market and policies controlling the operations of the bank are dependent factor. This may force the bank to review its strategic management decisions to align itself with the changes. This is consistent with the literature where strategic analysis and choice in the banking industry is demonstrated by Ndungu et al (2014) in their research of the Commercial Banks' Response Strategies to Economic Changes in Kenya. For firms to be able therefore to stay ahead of competition, it was noted that it was imperative for the organizations to continually scan the environment so that the organizations adjust their strategic responses to accommodate the demands of the environment Ndungu et al (2014).

The senior management in KCB makes sure that employees from all the levels are concerned with the strategic management process. It starts with the senior team and then it is cascaded downwards through regions and branch managers who cascade to the rest of the staff. This is consistent with the findings according to a study carried out at the University of Nairobi titled Integrating Strategy Formulation and Implementation, A Case of the Commercial Banking Industry in Kenya (Mungai, 2012). The research set out to examine the merge of strategy creation and execution in Kenya, specifically in the commercial banking sector.

The study identified that the directors and the chief executive officers were highly concerned with creation of the plans at the same time, the employees being highly concerned with the execution of the strategies (Mungai, 2012).The study revealed that the high ranking administrators in KCB have enough resources which were set aside in the annual budget to aid them in accomplishing their goals.

This is consistent with the (Hiriyappa, 2011) findings which states that the process of management of strategy are expensive considering the time put in by the chief executive of the organization since he is expected to fully understand the mission, vision and goals of the company

The chief executive is further and come up with ways to achieve the company objectives in an efficient and cost effective manner. The chief executive has to liaise with managers of all levels in the organization to come up with day to day activities that the staff can do and in so doing, ensuring that the activities are all geared towards achieving the overall organizations' objective (Hiriyappa, 2011).

The senior administrators in KCB ensure that they involve employees at all levels in the process of management of strategies. This is consistent with the literature which states that if the creators of the strategies are not closely included in the execution, individual duty for input to the process of decision making and the final deductions can be evaded (Hiriyappa, 2011). The strategic administrators therefore should be instructed to minimize their promises of performances, which can be delivered by decision makers and the other employees. This will motivate staff into being fully involved by giving their ideas and feedback and as a result they will have a sense of ownership (Hiriyappa, 2011).

The study found out that when technological, marketplace, systems of information, values, the political environment, and demography involving the workforce and the global economy changes, a huge impact on the bank will be felt in terms of processes, products and services.

The findings further showed that the dynamic environment created by these environmental forces has resulted in KCB group limited embarking on a transformation journey from being a good bank to being a great bank. This is in consistent with the findings of Trinh and O'Connor (2000) who concluded that strategic management is usually inclined to boost with changes in the environment that are intensive.

The study found that senior management of the bank initiated the process of management of strategies as well as implementation of the change. The involvement of senior management was important to provide support to staff and show them as part of the team. This concurs with the findings of Noer (1997) who warned people in leadership positions not to highly depend on external measures for. He was of the view that the leaders, in this case the senior manager, because an individual is the most significant instrument for change. According to him, the spirit of the leader, his wisdom, knowledge, sympathy, values and learning skills are all prominent abilities to make others embrace strategic management and redesign.

The study found that senior management communicated the intent and impact of strategic management program to all the stakeholders. Frequent meetings were held with staff to enable them understand the strategic management process and strategic management communication champions who would rally different departments behind the strategic management program by addressing all the concerns of staff were put into place. This was found to be in line with findings of studies done by Warwick (1997) and Denhardt (1999) whose studies have supported communication as a tool for successful strategic management to reduce resistance to change.

This study found that managing strategic management in an organization is not an easy task and thus delegation of authority and responsibilities eases the burden on senior management. Advantages of delegation includes saving time, development of individuals, grooming of successors, and a general motivation of individuals. Delegating certain aspects of strategic management is indeed useful for the planning of succession, individual development, looking for, and giving hope for a promotion. This contradicts the conclusions made by Angst and Karol (2013) who indicated that the power of making a decision was rather burdensome for a subordinate and thus not favorable.

The study further found that coercion limits employees' choices and their ability to partake in decision making. Individuals who are working under a forceful administration may become begrudged, and may opt for an alternative employment. The study revealed that though coercion is fast and can overcome any kind of resistance, it can also be very risky. This agrees with Ansoff and McDonnell (1990) who argue that if senior management applies strong pressure, the temporary coercion may be effective but the resistance is natural and will resurface. This study found that performance of the bank was measured against its intended inputs which included both financial and non-financial.

The study found that the measures of performance, financially in terms of profits, investments returns, assets returns, earnings per share and non-financial measures that included customer satisfaction and loyalty, corporate social responsibility and efficiency. This resonates with Marangu (2012) whose findings supported the measure of organizational performance as one that shows both financial function profits declared at the finish of every financial year and the non-financial functioned.

This study found a favorable link between practices of strategy management and the bank's performance which had improved greatly as seen in the increased profits, assets and customer satisfaction since the implementation of change. This is consistent with the observations made by Simpson (2002) who indicated that what motivates investments in electronic banking is the probability of reducing costs of operations, at the same time operating revenue.

It further found out that involvement of staff in the strategic management program had a direct impact on their productivity and hence the increased performance of the bank. This concurs with the findings of Appiah (2010) who states that an improvement in employees' performance leads to an improvement in a company's performance.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

A summary of the results, conclusions and recommendations are presented in this chapter. The results are summarized in line with the objectives of the research which were to base the employee perception of the strategic practices management in a rivaled business environment at Kenya Commercial Bank Group Limited.

The findings have been discussed relative to the questionnaire aspects which were on; demographic data on the respondent, strategic management practices adopted and strategic management practices in a competitive business environment at Kenya Commercial Bank Group Limited.

Recommendations were provided to facilitate KCB adopted strategies that will improve its competitiveness. Implications of the study on policy and theory were detailed. Finally implication will be comprehensively detailed.

5.2 Summary

The study found a positive relationship between strategic practices management and competitiveness of KCB group. The results on the respondent's demographic data, significantly increased the results reliability. The research findings indicate that a great number of respondents had a good trial in the sector and had the required education level and technical capabilities required, improving the reliability of the provided information.

According to the study findings, the respondents who took part in the research included Directors of finance, corporate strategy, marketing, innovation, government relations and compliance, risk management, information security, human resources and internal operations. This implies that respondents were all management and are the one who oversee strategic management initiatives in the organization. The respondents hold senior management positions at KCB Limited as stipulated above.

They play the role of enhancing the company’s operations and marshalling efforts to deliver the promise to the customers of being the preferred banking solutions provider. They are therefore of essence to the study since strategic management within the organization is influenced by their decisions.

The senior manager’s respondents have been in their current positions for more than four years. Some gained their promotions to their current ranks in recent years having worked in different positions at KCB limited. This makes them essential to the study since they have vast knowledge of the strategic management practices of KCB limited and the strategic management practices that have been used and their effect on KCB limited’s performance. Most of the respondents had served in the company for over 10 years. Some of them joined KCB limited as management trainees and have risen through the ranks to their current positions. Additionally, they all stated that they have seen the company grow to its current position in the market place. The respondents are of relevance to the study based on their experience in working with KCB limited.

Most of the respondents had a requisite academic qualification that enhances the reliability of the respondents. Majority of the respondents are graduates, therefore the level of education was high providing high confidence level that they were going to give the right responses to the interview questions and that they qualified to handle complex management issues such as growth strategy issues. The study established that most of the respondents had an understanding on strategic management practices in the organization.

The findings indicate that the major strategic management practices implemented in a competitive business environment included undertaking of market surveys on a quarterly basis to identify the strengths, weaknesses, opportunities and threats to the business; undertaking of competitor examination to find out what competitors are doing in terms of technology, funding, new products, pricing, customer acquisition and marketing activities; SWOT Analysis to helps top management in KCB know how they are performing and how and how they can increase their strength, enhance their weaknesses, make good use of their opportunities, and lessen the impacts of risks to their businesses; being the market leader in the implementation of corporate governance principles.

According to the results, a great number of respondents pointed out that strategic decisions positively influence business competitiveness to a large degree. From the findings, a great number of respondents pointed out that the firm has, increased its market network to other regions in the country, enhanced quality of services compared to rivals in the industry, adopted effective strategic responses towards external and internal changes faced by the company and has experienced high customer satisfaction to a very great extent. This implies that high levels of performance may result in adoption of strategic management practices.

The study found that the firms achieved competitive advantage over their rivals in the market; increased profitability, gained high returns due to effecting Strategic management practices and increased volume of revenues. It was established that strategic management practices adoption by Kenya Commercial Bank ensures efficient utilization of scarce resources, enhanced economic performance, minimized the exposure to threats, led to new products and markets being identified, improved image of the brand, heightened consumer loyalty, enhanced enlistment and maintained performance and employees that are inspired hence leading to sustainable profitability and enhanced business competitiveness.

The study established that indeed Kenya Commercial Bank had strategic management practices initiatives in place and that some of the major strategic management initiatives is its continuous environmental SWOT analysis, Stakeholder opinion polls, Corporate Governance, Corporate Social Responsibility, competitor analysis, Enterprise Risk Management, cost control and new technology adoption effected though strategic formulation planning and implementation. The results from the research indicated that the adoption of strategic management practices at Kenya Commercial Bank ensured availability of value-based business practices, application of modern technologies in their operations, follow-up on consumer demand, effective communication systems; management commitment, effective monitoring and planning, and management commitment.

The findings indicate that the major strategic planning practices implemented included undertaking of continuous environmental SWOT analysis, Stakeholder opinion polls, Corporate Governance ,Corporate Social Responsibility, competitor analysis, Enterprise Risk Management, market surveys on a quarterly basis to identify strengths, weaknesses, opportunities and threats to the business; undertaking of competitor examination to find out what competitors are doing in terms of technology, funding, new products, pricing, customer acquisition and marketing activities.

The results showed, a great number of respondents pointed out that strategic decisions positively influence performance to a large degree. The firm has increased its market network to other regions in the country, enhanced quality of services compared to rivals in the industry, adopted effective strategic responses towards external and internal changes faced by the company and has experienced high customer satisfaction to a very great extent. This implies that high levels of performance may result in adoption of strategic planning practices.

The study found that the firms achieved competitive advantage over their rivals in the market; increased profitability, gained high returns due to effecting Strategic planning and increased volume of revenues. It was established that strategic planning adoption by KCB limited utilization of scarce resources, enhanced economic performance, minimized the exposure to threats, led to new products and markets being identified, improved image of the brand, heightened consumer loyalty, enhanced enlistment and maintained performance and employees that are inspired hence leading to sustainable profitability and enhanced business competitiveness.

In relation to the strategic management practices adopted by KCB, the study revealed that there are various strategic management practices adopted by the bank. The respondents stated that KCB has formulated the banks Mission and Vision statements. They all agreed that the statements are communicated to the employees during the rolling out of the bank’s strategy. The respondents stated that KCB conducts situation analysis. This is done by periodically gathering and analyzing information about the market and other external or internal components which influences its performance and business. The SWOT examination is conducted in order for the administrators to know how they are performing and how and how they can increase their strength, enhance their weaknesses, make good use of their opportunities, and lessen the impacts of risks to their businesses.

The respondents stated that the analysis is done on a quarterly basis. This is because during that particular time, the banks are giving an account of their performance. Therefore, KCB is able to make a comparison of its performance with the rival banks and in addition, find out what is happening in the market. Analysis is also carried out on an annual basis due to the rapid changes in consumer behavior. The study revealed that KCB has strategic objectives. The respondents stated that KCB has both long term and short term objectives. These objectives may vary every year while others may strategic management mid-way.

The findings revealed that the objectives included growth and effectiveness of the business, technology and inventiveness in business, strengthening of the regional businesses, consumer service, support and lastly opportunities in business. The study revealed that reviews of strategic management decisions in KCB are carried out in at different levels.

This relies on the strength of the business market, or variations in guidelines controlling the operations of the bank. The respondents stated that this may force the bank to review its strategic management decisions to align itself with the changes. Monthly reviews are carried out so as to monitor performance as an ongoing process. This is followed by quarterly reviews or at the end of every three months which are carried out both at the business and individual level. Reviews are also carried out on a five year basis.

Due to the rapidly changing consumer behavior, the volatile macro environment and the general international changes the study revealed that senior management brief employees on the strategic management plan before implementation of the strategy. This is done because strategy belongs to the institution to be implemented. It therefore has to be aligned with the staff roles who know customer needs. This becomes a hindrance in ensuring uninterrupted implementation of strategic management practices.

The study revealed that monitoring the implementation of the strategic management come when the bank as a whole does not gain alignment of the staff's job descriptions to the overall mission, vision, goal and objectives the bank intends to achieve in the long run. The implementation of strategic management practices will not be successful when the people who are to implement do not understand the overall goal. There are challenges that organizations faces in relation to financial constraints when implementing the strategic management practices. Organizations depend on funding from its customers and shareholders. This implies that there are limited resources and therefore the senior management requires a long lead time to tap additional resources for strategy implementation especially from the stakeholders which takes about one year.

However, from customers, the key challenge faced when implementing strategic management practices on operational responsibilities are minimal. This is because at the micro level which includes the departmental or branch level, the roles are very clear. In addition, before the strategy is put on the business plan, the owners have agreed that they have the resources to implement the strategic management practices. The study revealed that there staff were involved in implementing strategic management practices and use of performance management tool used in KCB called the Individual Balanced Score Card (BSC). All the strategies are reflected in the individual score card and it is in agreement with the board that all individual score cards role up to the departmental score card.

The study revealed that the other resource based constraints other than financial constraints faced during the implementation of strategic management practices is seen especially when implementing strategic projects. These kinds of resources are not always available in house within KCB. As a result, senior management has to rely on consultants who are costly. In other instances, the technology required is not available especially locally.

This is so if the process of strategy implementation is all inclusive. The top down and bottom up inputs towards the overall objectives should be encouraged and collectively decided on how the figures will be attained through a tactical plan which is motivating to the members of staff. However, motivational challenges may be seen especially where there is failure. It is significant to be aware that not all projects will succeed. Senior management may have a culture of non-tolerance to failure and punish those who fail, whereas ideally, senior management should allow staff to learn from past failures.

Political challenges faced during the implementation of strategic management practices are seen from the external perspective especially now since the implementation of devolution by the Kenyan Government. It becomes difficult for some banks to enter the market in some counties, due to the heavy presence of preferred banks. An example of this being Equity Bank and Family Bank being highly preferred in Cental Kenya as compared to the others. However, political challenges are not faced in terms of influence on decision making or running of the bank's affairs since KCB is a private organization. They added that in as much as the government has about 17% shareholding in KCB, they have given senior management the free hand to run the organization.

The study revealed that the issues revolving around implementation of strategic management practices which are social in nature may not be viewed as but rather as corporate social responsibilities. KCB is expected to perform its function as a decent corporate citizen by giving back to the community. The demand on the bank may at times too high. However, the bank has committed to give 1% of its profit prior to tax for the funding of activities to do with social responsibilities.

The study revealed that the technological obsolescence during the implementation of strategic management practices arise due to the fact that technology doesn't last long. The technological market is fast changing, with the customer today being technologically savvy. Therefore, KCB has the task to keep upgrading its technology each year to keep the consumers satisfied. KCB does not face any legal challenges locally during the implementation of strategic management practices. This is because they are guided by regulations imposed by the government, the CBK, and the Banking Act.

5.3 Conclusion

The research sought to find out the link between strategic management and business competitiveness at Kenya Commercial Bank. The study concluded that strategic management practices positively influences organization business competitiveness, based on the results in connection to specific goals. On the same, the research concluded that the execution of strategies enhances the image, excelling of the business, and management of operations.

The study concluded that strategy formulation and implementation influence organization performance positively to a great extent resulting to increased organization profitability, business turnover and volumes of sale. Strategic management influences customer satisfaction, ensures superior quality services and products, customer oriented products, and positive feedback from customers. It is evident that strategic management is critical and is usually inclined to expansion as the environment intensively (Trinh & O'Connor 2000).

Clearly, financial institutions experience a great deal of strategic management due to strategic management in environment. Much of these strategic changes are as a result of the immovable growth in banking industry. It is beginning to strategic management fundamentally the nature of financial service delivery to the markets. As the banking markets have continued to grow and be reinvented, the impacts of the new environment have been the issues of concern for banks. They therefore are stressed out to reassess their financial delivering services, and look for strategies for survival, enhance profits, and become competitive (Murray & Anderson 1996).

Between the years 2010 to 2012 that are 2 years KCB rose to becoming the best performing bank in the banking establishment in Kenya surpassing other banks in the establishment that had consistent performance over those years. The study concludes that the senior management in KCB has adopted strategic management practices which have enabled them achieve the great mile stones in the banking establishments. In relation to the strategic management practices adopted by KCB, the study concludes that KCB has formulated the banks Mission and Vision statements which are communicated to the employees during the rolling out of the bank's strategy.

This is because the vision and mission statements show the employees the bearings that the bank in intending to take, and its objectives in the future. Situation analysis is carried out periodically gathering and analyzing information on the market and other external or internal components that influences its operations and the business.

Senior administrators brief employees on the strategic management plan before implementation of the strategy. This is done because strategy belongs to the institution to be implemented. It therefore has to be aligned with the staff roles who know customer needs. The study concludes that KCB faces several of strategic management. In relation to the organization structure, the challenge is seen in the frequent strategic management of top administrations. This therefore hinders the uninterrupted continuity of the execution of strategic management practices.

The issues revolving around organization structure may not always be viewed as but also as opportunities. This is because KCB is coming up with customer focused ways of selling to customers based on their needs. The in relation to monitoring the implementation of the strategic management come when the bank as a whole does not gain alignment of the staff's job descriptions to the overall objectives of the bank. There are in relation to financial constraints because KCB relies on funding from its customers and shareholders. This implies that there are limited resources.

The challenges faced when implementing strategic management practices on operational responsibilities are minimal. This is because at the micro level which includes the departmental or branch level, the roles are very clear. The technological during the implementation of strategic management practices arise due to the fact that technology has a short life span.

5.4 Recommendations

The study recommends that organizations should focus on adopting strategic management practices so as to improve organizational performance through increasing customer base, asset quality, quality of service and increased market share. The research advocates that for the organization to perform efficiently on its financial performance, strategies aimed at guiding the daily processes should be created and regulations be put in place for all involved departments, for the purpose of eliminating incidents of compromise. In order for organizations to achieve their goals, i.e. Profitability, large market share and customer retention, there should be effective strategies that cater for the customer needs, organization goals and environmental changes.

To enhance customer satisfaction and eventual business competitiveness the study recommends that customers should be treated well since they are the key assets in organization's survival, hence strategies set should be focus on quality of service .strategies adopted by organization should be adaptive to changes in the external environment and should be continually evaluated through frequent competitor analysis, SWOT analysis, stakeholder opinion polls and ensuring adherence to corporate governance practices if business competitiveness is to be continually enhanced.

This study recommends senior management to effectively convey the strategic management's vision, mission and targets to assist the employees to comprehend how those changes will personally influence them. The managers should communicate the reasons for the strategic management in such a way that all employees understand the context, purpose and need for change. Communication should be consistent, frequent and through multiple channels. The study further recommends that delegation of certain aspects of the strategic management program should clearly explain limits of the responsibilities.

Poor delegation might cause aggravation and confusion to all parties involved since delegation means transfer of certain responsibilities and not surrender of authority. Further, this study recommends that successful assumption of authority due to effective delegation should be rewarded. It is also recommended that leaders ensure that the people whom are to be influenced by strategic management consent to and comprehend the need for change, and thereby can decide on the management of strategies, and to involve themselves in the planning execution of change

Coercion restricts the employees with the chance to partake in decision making and this may make them resentful. Thus, whenever the employees take part in the strategic management effort, they become more inclined to buy into the strategic management rather than oppose it. Quick strategic management restricts relevant consultation and participation, leading to problems which will take time before they are fixed,

It is also recommended that the managers should not let up. They are expected to promote and support resolutions and diligence - ongoing strategic management - encourages continuing progress report – spotlight achieved and the milestones to come. Finally the leaders are expected to make strategic management stick. This is achievable by reinforcing the worth of a successful strategic management through enlistments, promotion, and new strategic management leaders. This simply means fostering a strategic management culture.

5.5 Limitations of the Study

Every study inevitably encounters certain levels of limitations due to a variety of factors; and although the study was completed and reached its aim, it was not done without some limitations. The study's limitations included limited time set aside for the research and the limited scope of study. It would have been interesting to research on strategic management practices adopted by several commercial banks and their impact on performance. The respondents that were selected seemed to be reluctant to offering the data, since they feared that the information collected would be used against them, either through intimidation, or creating a negative image of their institution. The researcher however managed that situation by providing them with a letter from the university, assuring them that their information would be for academic purpose.

The respondents approached were reluctant in giving information fearing that the information sought would be used to intimidate them or print a negative image of the institutions. The researcher handled the problem by carrying an introduction letter from the university and assured them that the information they would offer would be treated confidentially and it was to be used purely for academic purposes.

Since it was a case study focusing on one Institution the data gathered might differ from other financial institutions. This is because different institutions adopt different strategic management practices. The study however, constructed an effective research instrument that sought to elicit general and specific information on how strategic management practices enhance commercial bank performance .The study faced both time and financial limitations. The duration that the study was to be conducted was limited hence exhaustive and extremely comprehensive research could not be carried on how to the effect of strategic management practices on organizational performance. The study, however, minimized these by conducting in-depth case study research that significantly covers the shortcomings of the study.

The research also suffers from the limitation of descriptive research design where the research findings are not applicable over different time periods. Consequently the research findings are based on individual respondent opinion on the effect of strategic management practices on organizational performance which may be biased Some of the senior officers were too busy to take time off and respond to the questionnaires even after several requests. The respondents approached were reluctant in giving information fearing that the information sought would print a negative image of the institutions.

5.6 Suggestions for Further Research

The study suggests further survey on study Strategic management practices management and performance in Commercial Banks. This research should be replicated in other banks in order to establish whether there is consistency among them on Strategic management practices management and business performance. The study will supplement the findings of this study by providing information on the strength and weaknesses experienced in the implementation of strategic management practices.

Additionally, further studies should be carried out in order to determine performance of Kenya Commercial Bank Group Limited. This is in relation to identifying other external influences over which they have little control and how they impact on the bank's performance. Additional studies are to be conducted on the components influencing strategy execution, and impact of strategy implementation on organization performance by focusing on another sector apart from the banking industry for the purpose of depicting credible information that demonstrates real events across all industries.

The study suggests further research on the practices of strategic management and performance banks in Kenya that are commercial. The research will supplement the findings of this study by providing information on the strength and weaknesses experienced in the implementation of strategic change. This research therefore should be replicated in other banks in order to establish whether there is consistency among them on strategic management practices and performance of the banks. Additionally, further studies should be carried out in order to determine performance of Kenya Commercial Bank Group Limited.

5.7 Implications of the Study

To policy the information on strategy and industry competition will guide the authorities in formulating proper policies and legal mechanisms to guide the operations and foster the growth of this fledgling banking industry. The study will greatly enhance the enforcement and inclusion of adoption of strategic management practices as part of corporate governance principles that govern organizations in both private sector and public institutions .this is because the findings of this study indicate that the adoption of strategic management practices greatly enhances organizational performance. The study has provided invaluable insight on the importance of applying strategy in business to gain competitive advantage.

The empirical evidence obtained from this study will act as a source of literature and hence contributes to theory on the positive influences of strategic management organizational performance. A collection of similar research findings will bring more insights on whether the strategy management practices enhances organizational performance. This will extend the literature that will be reviewed in future thus providing a basis of development of new theories. The study will bring more insights to the theoretical review in the area of strategic management.

This chapter comprehensively discussed the summary, provided the conclusion and finally provided the recommendations. This was in line with the study objective which was to evaluate the employee perception of the strategic practices management in a rivaled business environment at Kenya Commercial Bank Group Limited. This study will be valuable to various groups like policy holders in coming up with effective strategies.

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APPENDIX: Questionnaire

SECTION A: BACKGROUND INFORMATION

1. What is your Gender? Male [ ] Female [ ]

2. In which age bracket does your age fall?

25 years or less [ ]

26-30 years [ ]

31-35 years [ ]

36-40 years [ ]

41-45 years [ ]

46years and above [ ]

3. How long have you worked in the banking industry?

Less than 1 year [ ]

1 - 2 Years [ ]

3 - 5 Years [ ]

6 - 10 Years [ ]

11 - 15 Years [ ]

16 - 20 Years [ ]

21 - 25 Years [ ]

Over 25 years [ ]

4. What is your highest level of education?

O level [ ]

Undergraduate Degree [ ]

Postgraduate Degree [ ]

Other (Specify) [ ]

5. What is the number of employees in your bank?

1-50 Employees [ ]

51 -100 Employees [ ]

101 - 250 Employees [ ]

251 - 500 Employees [ ]

501 - 1000 Employees [ ]

1001 - 2500 Employees [ ]

More than 2500 Employees [ ]

SECTION B: Strategic Management Practices in a competitive business environment

To what extent are the following strategic management practices implemented in your organization. 1= Not at all, 2= little extent, 3= Moderate extent, 4= Great extent, 5= very great extent

Strategic management practices initiatives in place	1	2	3	4	5
Undertaking of competitor analysis to find out what competitors are doing in terms of technology, funding, new products, pricing, customer acquisition and marketing activities;					
SWOT Analysis to helps top management in KCB know how they are performing and how they can maximize on their strengths, improve on their weaknesses, exploit the opportunities and mitigate threats to the business;					
Enterprise Risk Management,					
Adoption of Latest new technology in banking					
Follow-up on consumer demand,					
Effective communication systems;					
Management commitment,					
Effective monitoring and planning,					
Undertaking of market surveys for better consumer insights					
Being the market leader in the implementation of corporate governance principles					

Up-to-date customer relationship management,					
Adoption of enterprise risk management,					
Operational cost evaluations					
Effective stakeholder relationship management.					

SECTION C: Extent of Achievement of the Implementation of Strategic Management Practices in a Competitive Business Environment

To what extents do the following gains of business competitiveness achieved as a result of implementation of the above strategic management practices. 1= Not at all, 2= little extent, 3= Moderate extent, 4= Great extent, 5= Very great extent

Following the implementation of strategic management practices the following gains have been achieved by the organization,	1	2	3	4	5
Increased its market network to other regions in the country,					
Enhanced quality of services compared to rivals in the industry,					
The company has experienced high customer satisfaction					
The firms has achieved competitive advantage over their rivals in the market;					
The firm has increased profitability and revenues					
Strategic management practices initiatives in place					
The company and has experienced high employee satisfaction					