PERCEIVED INFLUENCE OF CORPORATE STRATEGY ON PERFORMANCE AT EQUITY BANK LIMITED, KENYA

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DECLARATION

This research project is my original work and to the best of my knowledge has never been presented for the award of any degree in any university.

Sign…………………………………… Date…………………………………

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D61/85680/2016

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

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DEDICATION

I dedicate this research project to my husband Kevin, my mother Mrs. Truphena Mganda and my sister Patricia for their unending support, inspiration, prayers and encouragement throughout my academic journey. May God reward all of you.

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I am deeply indebted to all those people who influenced me to successfully complete this project.

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ABBREVIATIONS AND ACRONYMS

CBK Central Bank of Kenya

EBL Equity Bank Limited

KEMRI Kenya Medical Research Institute

RBT Resource-Based Theory

SME Small and Medium Enterprises

SPSS Statistical Package for Social Sciences

ABSTRACT

The influence of corporate strategy on organization performance is perceived differently by various stakeholders in organizations. Some scholars have observed that corporate strategy has been purported to have negative influence on performance of firms while in others it has been extolled as a key in driving performance. There has been no consensus on perceptions with regards to influence of corporate strategy on performance of a firm hence continued debate on this subject. Through the theoretical lenses of Cognitive Psychology theory, Attribution theory and Resource-Based theory, the study set out to establish the perceived influence of corporate strategy on performance of Equity Bank Limited. Using a descriptive cross-sectional research design, data was obtained from 176 managers of Equity Bank using a semi-structured questionnaire. This was analyzed using both descriptive and inferential statistics. The key findings along the study objective reveal that the managers perceive corporate strategy to have a positive influence on the Bank's performance. The managers have a clear regard of corporate strategy as the direction and scope the bank has taken in achieving its goals. Consistent with the theories, organization resources like intellectual capital, technology employed have been revealed as key in enhancing performance. The findings also reveal that managers are involved in the strategy process in the Bank. Findings of this study also agree with other empirical studies that have perceived that strategy is a lead to superior performance. A critical discussion of this subject suggests a study on other banks and parallel organizations as areas for further study while also recommending a similar study to be conducted after a year or so because of the dynamism of the banking industry in Kenya and difference in strategic orientation of managers. Though successfully conducted, the study encountered challenges like limited resources in time and monetary, lack of confidence from respondents due to the nature of competition in the Banking industry which led to the researcher using a lot of time reassuring respondents that the research was purely for academic reasons; and delays in getting responses due to the busy schedules of the managers. Future researchers should consider working with research assistants to ensure that the questionnaire gets to respondents in good time, guaranteeing personalized approach hence improving the response rate. Researchers should also set aside a budget for research.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Organizations are environment-dependent with great influence on organizational performance (Davis & Powell, 1992). Environments are complex, turbulent and dynamic (Emery & Trist, 1965). Johnson and Scholes (2009) argue that strategy links the organization to the environment because every strategy formulated starts with scanning of the environment. A good strategy fits in with the environment. The heart of every strategy is focused on an organization's performance and involves the decisions and actions that managers consider and implement (Thompson & Strickland, 2007). Strategy assists an organization chart its future. Thompson et al (2007) further argue that creative and distinctive strategies give organizations competitive advantage which enables firms to be more profitable, with a stable future compared to those without it. Porter (1980) observes that firms with clear strategies outdo firms without any strategy. An organization's strategy is identified through the actions that it takes, its business approaches, future plans and statements and perception of its managers.

This study was premised on Cognitive Psychology theory propounded by Neisser (1967), attribution theory by Heider (1958) and the Resource Based Theory (RBT) by Wernerfelt (1984). Cognitive psychology view asserts that people's behaviors result from their mental activities which involve metacognitive processes, active selection and organization of the stimuli to make sense even when the stimuli have no base for organizing (Neisser, 1967). McLeod (2007) observes that this view focuses on how people process information and the resultant responses. Attribution theory views people's perception and view of life to be caused by factors that are either external or internal to them (Kelley, 1967). RBT sees organizational resources as key in enabling organizations gain and sustain competitive advantage (Wernerfelt, 1984).

Equity Bank Limited (EBL) is perceived to be the Bank that over the years focused on the lower segment of customers. Maina (2013) quoting the CBK Bank Supervision report, notes that EBL is the largest listed Bank in Kenya with a customer base of 8.3 Million. While announcing the results for half year 2017, the CEO stated that the customer base is 11.7 Million with customer deposits at KES. 363 Million. The bank's five-year summary looks impressive. Profit before tax has grown from KES 218 Million in 2011 to KES 24.93 Billion in 2016. Its total assets have grown from KES 6.7 Billion in 2011 to KES 379Billion and recording a liquidity ratio of 47.7% as at end of 2016 from 29.1% in 2015. (Equity Bank, 2017). The Banks digitization strategy has enabled it achieve growth in transactions (Equity Bank, 2017). Awori (2011) alludes that EBL has reinvented itself over the years to remain competitive. The Bank has evolved and extends service to SME and Corporate customers in addition to small bankers (Abishua, 2010). The strategy of the Bank is to provide inclusive financial services to a vast majority in Africa. The researcher's motivation for this study was to relate the link between the Bank's corporate strategy and its performance from its managers' perspective.

1.1.1 The Concept of Strategy

Thompson and Strickland III (2007) define strategy as management's action plan for running the business and conducting operations while determining an organization's long-term goals and objectives (Chandler, 1962). Strategy enables organizations to be positioned in their selected environment and successfully compete by being relevant to its customers and achieving good business performance (Thompson & Strickland, 2003).

Strategy is a plan, a ploy, a pattern and a perspective that an organization picks (Mintzberg, 1998) such that firms that lack a strategy lack focus (Claire Capon, 2010). Strategy is about evaluating both external and internal environments and only making changes where necessary (Drucker, 1994).

The concept of strategy can be traced back to military operations where it was used in war and started being applied in business environment in the 19th Century (Angulu, 2007). Strategy is the link between an organization and its environment. Drucker (1994) argues that all organizations have a theory of business which if fitted well with the external environment, coherent with internal reality and well understood by every stakeholder in the organization guarantees good performance. Strategy enables firms to create a competitive domain by engaging strategic choices. The choice of strategy should be carefully done through SWOT analysis to identify a perfect match between its strengths and weaknesses (Andrews, 1971). Effective strategic implementation requires the top management's assumption of a proactive role in cascading it to the teams at lower levels. Strategy entails power holders in an organization deciding on courses of action to pursue. An organization's strategy process may be deliberate or emergent (Mintzberg & Waters, 1985) and long-term or short-term. Deliberate strategies are proactive, formal processes and mostly applied in large organizations while emergent strategies are informal and reactive. However, dynamic and turbulent environments push large organizations in some situations to engage in emergent strategies.

Different strategies can be used depending on the targeted goal. Miles and Snow (1978) argue that for an organization to perform there must be a direct correlation between its goals and strategies. They further observe that organizations can either employ a defensive approach to their markets - aggressively protect their chosen market arena and maintain dominance, or ever look out for new opportunities and experiment new markets and products, or analyzers. In some, managers may perceive changes in the business environment but unable to respond in good time hence react to market changes. Some employ strategies to support growth or stability in their industries.

Ansoff (1965) provides four strategies that can support an organization expand; new market penetration, product development, new market development and diversification. To outdo competition, organizations may provide their price sensitive customers with products and services at a lower cost compared to their competitors or only target high end clients and provide them with unique products and services (Porter, 1980). Organizations may also decide to provide services to a niche or specialize on only a line of product and service offerings.

1.1.2 Concept of Organizational Performance

Organization performance is a desired indicator for actual performance against its intended goals set out in its objectives and strategies. It's however difficult to provide a precise definition to the concept of organizational performance because performance is contextual and dependent on the individual involved in the assessment. Yutchman and Seashore (1967) argue that in the 1960's and 70's, performance was defined by an organization's ability to exploit its environment using limited resources while in the 80's and 90's, this was measured by a firm's efficiency and effectiveness (Lusthaus & Adrien, 1998).

From shareholders' viewpoint, performance can be seen in terms of profits made while for the customers, performance is defined from a reliability standpoint of a financial institution, solvency and ability to address their primary banking needs (Bikker, 2010). Various industries and organizations measure performance differently. Pearce and Robinson (1998) observe that organizations or industries must define their performance parameters since there's no one acceptable scale that cuts across all. The Banking sector's commonly applied performance criteria include both qualitative and quantitative measures. The performance metrics revolve around profitability, efficiency, costs and market share. This study considered organizational performance in terms of innovation, profitability, market scope and customer numbers.

Several scholars have observed that organizational performance is influenced by strategy. K'Obonyo and Arasa (2012) argue that there is a strong correlation between strategic planning and firm performance. They further note that, firms both in public and private sectors are practicing strategic planning with a view of fast-tracking their performance. Strategies give firms potential advantages and intrinsic value which eventually translate to improved firm performance. Strategies facilitate improved performance on firms.

1.1.3 The Concept of Perception

Perception involves senses and cognitive processes that help interpret the senses. Kotler (1997) defines perception as the process by which people choose, organize and interpret information while making meaning from their surroundings. This process also involves organizing and interpreting stimuli (Gibson, 1966). Perception is a process in which one interprets sensory inputs such as sound, smell, sight or feelings (Bennett, 1997). According to Bouiditch and Bouna (1997), perception is the process by which individual selects, organizes and interprets and assigns meaning to external phenomena or stimuli. It's the process by which people make sense of the world around them. It intervenes between an individual and their environment. Perception can also be understood as the primary vehicle through which we come to understand ourselves and our surroundings (Nellson, 2008). According to Mulyana (2001), perception is an internal process of interpreting objects around us.

Perception is highly ranked among the cognitive factors that determine human behavior (Rao & Narayan, 1998). It enables human beings to interpret and respond to the environment. Through perception, different managers can consciously and unconsciously evaluate an organization's performance. This will be based on conclusions drawn based on previous experiences or observations made over time and patterns identified. However, people's affirmed feelings about something may be loosely related to reality (Arnold et al, 1991) and varied even when exposed to similar stimuli or reality (Kotler, Shallowitz & Steven, 2008) hence a convergence of findings will be key for this study. Therefore, the managers' perception may be influenced by their level of seniority, familiarity with bank's strategy process and departments that they work in (Rugut, 2012).

1.1.4 Kenya's Banking Industry

Kenya's banking industry is regulated by the Central Bank of Kenya (CBK), the Banking Act, Company's Act and various prudential guidelines issued by the Central Bank of Kenya. CBK records indicate that as at 31st December 2015, there were forty-three (43) Commercial Banks in Kenya, one (1) Mortgage Finance company, twelve (12) licensed Microfinance institutions and eighty (80) licensed foreign exchange bureaus (CBK, 2015). The Commercial Banks have been clustered into three peer categories using an index that comprises of net assets, customer deposits, capital and reserves, number of deposit accounts and number of loan accounts (CBK, 2015). This categorization can also be described as those in tier one capital whose net assets are above KES. 15 billion, tier two – whose net assets are between KES. 5 Billion and KES. 15 Billion and tier three, whose net assets are below KES. 5 Billion. This is a measure of the financial strength of a Bank based on its core capital. Equity Bank Limited is in tier one. To secure Banks' interests and addressing any issues that affect them, the Banks are organized into an umbrella body called the Kenya Banker's Association.

The last five years have seen tremendous changes coupled with challenges experienced within the Banking sector in Kenya. Automation has been on the frontline to counter the challenges of competition and globalization (CBK, 2017). It has become paramount for banks to rethink their strategies, leverage on technology to enhance sales (CBK, 2015). Strict regulations like the interest capping which allows Banks to lend at only 4% above the Central Banking lending rate has also been a big blow and a game changer among banks. The interest rate capping has equalized all players in the market, the differentiator has been other factors like customer service and innovation. Such challenges require clear strategies to be thought out, formulated and implemented for a Bank to remain relevant in today's Banking environment in Kenya.

1.1.5 Equity Bank Limited

Founded in 1984 as a Building Society then converted to microfinance institution and later into a fully-fledged commercial bank on 31st December 2004, Equity Bank's core business is to provide affordable financial services to its clients (Equity Bank website). Its market scope includes Kenya, Rwanda, Uganda, Tanzania, South Sudan and the Democratic Republic of Congo. The Bank has been recognized for its life changing mission by offering accessible, flexible and affordable financial services. The Bank has won so many awards and recognitions from both local and international bodies. In 2016, the Bank was awarded over 21 awards among them, Kenya's Best Bank, Africa's Best Bank, Best Bank in tier 1 and most innovative Bank.

According to Think Business research team (May, 2017) while uncovering the Bank's winning strategy, they observe that EBL set itself out to demystify banking by crafting strategies that are unique. They also observe that EBL has disrupted the health, education, telecommunication and financial sectors. Quoting Dr. Mwangi, the Bank's CEO, the bank has been keen to formulate strategies to guide its every ten years from 1994. First, was the bank's entry strategy which allowed customers to open accounts with only a copy of the National Identity card with no minimum balance compared to competitors' requirements. The bank also incorporated strategies that supported scaling of its distribution networks with innovation. From 2014 to 2023, the Banks strategy termed as "3.0 Strategy" focuses on changing banking to a lifestyle – something that someone does and somewhere one goes.

1.2 The Research Problem

The influence of corporate strategy on performance is perceived differently by different stakeholders in an organization. The link of strategy and performance is determined from different points of view – employees view, shareholders view or customers' view hence perceived differently. Review of numerous literatures demonstrates that there is a perceived link between strategy and organization performance. Scholars have pointed out both positive and negative linkages between corporate strategy and organizations' performance. Reid and Sanders (2010) assert that strategies ensure efficiency and effectiveness in an organization. Okello (2013) observes that managers have a positive perception on the influence of strategy on organization performance. Porter (1966) argues that operational efficiency alone does not guarantee performance but managing a fit of activities does. Steiner (1979) observes that strategies differ within same industries because of different strategic orientations of the management. Wahidi (2010) posits that strategy has a negative influence on organization performance. A certain strategic orientation forces management to focus on its provisions only and ignoring other aspects, threats and opportunities that arise every day that could be a risk or an enhancement to the operations of an organization. Lack of congruence on perceived influence of strategy on performance brings about a conceptual gap that needs to be investigated.

Equity Bank Limited's operations are regulated by CBK, prudential guidelines and the International Financial reporting standards (IFRS). Since its inception in 1984, the bank has had three documented ten-year strategic plans from 1994 (Think Business, 2017). These have seen the bank invest massively in innovation, high caliber of intellectual capital and strong corporate governance. In turn, this has led to regional diversification, quality service, efficiency, growth and superior performance when matched against competitors (CBK, 2015). The Bank has extended its operations to other countries within Africa; Uganda, Tanzania, Rwanda, South Sudan and Democratic Republic of Congo. The bank has also had its fair share of challenges; fraud cases, highly regulated environment and macro-economic challenges yet still rising. Managers have been at the core of the strategy process; formulating, implementing and evaluating. An understanding of their perception on influence of strategy on performance at EBL would be a fair justification to the assertion on whether strategy influences performance or not. This can only be achieved through an in-depth research study.

Strategy has been touted as key in organizations' performance. Research literature reveal that extensive studies exist within Kenya and beyond on the influence of strategy on organizational performance. In the local arena, (Mutugi, 2010; Wangari, 2007; Fakii, 2013; Riungu, 2008; Ogolla, 2006; Mwaura ,2010; Mulu, 2006; Ali, 2013; Nyaga, 2013 and Odhiambo (2006) among others have observed that strategy influences performance while Wahidi (2010) observes that some strategies have negative influence on organization performance. Internationally, Liu, 2011; Fowder et al, 2011 Covey, 2007; Vickery, Droge & Markeland, 1993 carry on the debate that strategy influences firm performance. However, despite these studies, there remains a gap because the findings may not be applicable in all contexts.

A critical view of these studies revealed that the studies were done in different contexts and using different methodologies. In particular, (Mutugi, 2010; and Krop (2014) contextualized their studies on SMEs in Kenya while Nyaga (2013) and Fakii (2013) giving higher importance to efficiency and effectiveness while drawing the influence of strategy on organization performance. Other studies have also indicated that strategy alone does not influence performance of organizations unless accompanied by high caliber and innovative human capital which cannot be replicated (Krop, 2014). The studies pointed out have provided substantial knowledge on the perceptions around corporate strategy and performance. However, the findings cannot be applied in different contexts. Therefore, there existed a contextual, conceptual and methodological gap that needed to be addressed. There is thus a knowledge gap since little known about the perceived influence of strategy on performance at Equity Bank. This study therefore aimed to address the knowledge gap. What is the perceived influence of strategy on performance at Equity Bank?

1.3 Research Objective

The objective of this study was to establish the perceived influence of Equity Bank's corporate strategy on its performance.

1.4 Value of the Study

The findings of this study will be used by academicians as a foundation for further research on contribution of strategies to organizational performance especially in Kenya. Key findings concur with theoretical underpinning that resources give organizations competitive advantage and that organizations that employ strategic management are competitive. Researchers will use the findings as a source of reference for further studies. Findings will contribute to past studies that have been done hence building on the body of knowledge.

This study focused on understanding managers' perceptions towards the influence of corporate strategy on performance at Equity Bank. Their perceptions and attitudes were posited to be factors leading to their conscious or subconscious responses towards the subject hence impacting success of strategy implementation in the organization. The discussion of the findings of this study will have policy implications. The top leadership will have to ensure that the organization's strategy is cascaded to all managers to guarantee success while also aligning information across the management team. Understanding the managers' perceptions before, during and after strategy implementation will be of value to organizations, senior management/ Board of directors and consultant. This will provide a basis to gauge what kind of support or information will the managers need to be effective in the strategy process

The findings of this study will contribute to day to day managerial practice by sensitizing management on the role corporate strategies play in organization's performance. Management will also stay clear that people are different, driven by perceptions and drives and this determines the choices they make and their responses to different situations hence a need to take advantage of this diversity to build stronger organizations. The Banks and financial institutions at large will gain insights on how to achieve superior performance by adopting and implementing strategies that match their goals. Managers in companies will benefit by getting to know how strategy influences performance and therefore used the findings to implement the strategies.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter discusses comprehensively other scholarly work related and consistent to the objective of the study. It covers the theoretical foundation, strategic practices, the relationship between corporate strategy and performance in an organization and summary of the literature review.

2.2 Theoretical Foundation

A theoretical review was undertaken to provide a clear understanding of existing knowledge base in the area of study. This review considered three theories; Cognitive psychology theory, attribution theory and Resource based theory.

2.2.1 Cognitive Psychology Theory

The cognitive theory of psychology emphasizes on people's internal states which include motivational biases, thinking, attentiveness, decision making and problem solving. People respond to stimuli within the environment based on this. Runyon (1977) observes that perception is subjective, selective and personal because it is influenced by one's interests, beliefs, attitudes and attributes. It's through perception that people make meaning of the world around them (Britt, 1978). According to Assael (1985), human beings select perceptions at two levels; perceptual vigilance and perceptual defense. He further observes that once stimuli are received from the environment, they are immediately registered. Travers (1970) argues that the registration process involves using past construal to perceive the current stimuli.

Vigilant perception is at a lower level and involves perceiving things related to our physical security and use of the senses to sieve what one needs. The second level of perception, defense perception is the basis to which human beings interpret facts, while engaging the brain. This is what supports people to relate to the belief systems and cultural underpinnings (Sherif, 1946). People collect meanings unconsciously over time and accumulate such that when a stimulus evoked a certain response, there is a higher probability that similar stimulus will result into the same response in the future (Burgoon & Miller, 1981). Perception measurement enables the relationship between stimuli and responses to be drawn. Merleau-Ponty (2002) provides four number scales that can be used to measure perception. Nominal, ordinal, interval and ratio scale. Nominal scale involves discrete classification of data while the ordinal scale represents data in order of magnitude. On the other hand, interval scale presents data where differences between values can be quantifiable, for example dates while the ratio scale improves on an interval scale and allows one to compare differences between values.

2.2.2 Attribution Theory

Heider (1958) illustrates how perceptions are formed through the attribution Theory. The theory observes how individuals interpret events and how this interpretation relates to their thinking and behavior. The theory provides a three-level process on how attribution takes place; behavior is observed, it’s determined to be deliberate then it’s ascribed to internal or external forces. Weiner (1974) while making his contribution on the attribution theory, provides three causal dimensions to people’s attributions; locus of control, stability and control. The locus of control determines whether people’s perceptions and resultant behavior are internal or externally caused. He also draws parallels of what can be said to determine an organization's performance; on one hand ability and effort and on the other hand, task difficulty and luck. Despite the procedure in the attribution hypothesis, there are normal easy routes taken in shaping judgements (Robbins, Judge & Vohra, 2011). These alternate routes incorporate selective perception, whereby a person's interpretation of a circumstance is impacted by their interest, background or attitudes. Another easy route is provided by stereotyping where a person's judgement is influenced by the perceived generalization of a certain group or persons.

2.2.3 Resource Based Theory

This theory is conceptualized on the organization as a constituent of a collection of capabilities (Wernerfelt, 1984). Strategy development is one of the capabilities that enable a firm to maximize on its core competence and realize its full potential. Organizational performance differs because of unique resources and capabilities exhibited by firms in an industry (Hoopes, Madsen & Walker, 2003). Barney (2001) explains that resources are inputs into an organization's production process, these include; capital, employees' skills, finances, equipment, goodwill and gifted managers. Resources are either intangible or tangible in nature. The set for resources available to the firm tends to increase as the firm seeks to enhance its effectiveness and improved organizational performance. Individual resources might not necessarily lead the firm to a competitive advantage but through synergy and integration of competitive resources (David & Cynthia, 1995).

The RBV has been researched extensively in establishing the relationship between the organization's internal characteristics and performance. The basic idea is that the organization is constituent of different resources put together to enhance competitiveness

(Barney, 2001). The way an organization utilizes its available resources is critical towards achieving improved organizational performance. This theory holds that the firm competitiveness is based on its ability to utilize its core competencies and to develop efficient capabilities that can be valued by the customers. Improving value to customers is one of the key roles of strategy especially simplifying access to differentiated products and services which improve customer satisfaction (Alain & Martin, 2009). Most RBV researchers (Bhide, 2000; Peteraf & Barney, 2003; and Foss & Knudsen, 2003) observe that resources enable an organization to execute its game plan strategies hence affecting organizational performance. This theory is relevant for this study because it explains the role played by internal resources controlled by an organization in determining the level of performance recorded.

2.3 Strategy and Performance

It is conceptualized that strategy enhances organization performance. Performance in an organization is described by how efficient and effective the organization is. Greenly (1986) argues that organizations portray improved performance once they effectively embrace the concept of strategy. A firm's strategy offers a clear purpose and directs its activities and its employees (McCathy & Minichiello, 1996). Kotter (1996) argues that strategy guides an organization in setting out its strategic intent, prioritize and realign itself to realize the intentions. Since strategy is the link between organization and environment, it ensures firm-environment fitness which is key in organization performance (Grant, 1998). Porter (1980) and Kotter (1996) observe that strategy provides for analysis of organization related factors and focus on strategic issues which assures efficient allocation of available resources, pushes organizations to indulge necessary innovations leading to sustained competitive advantage. A good strategy builds a strong market position for an organization hence producing successful performance (Thompson, Strickland & Gamble, 2007).

Fakii (2013) sought to find out strategies employed by state corporations in Kenya and their resultant influence on their performance. Findings of the study reveal that state corporations employ cost leadership and differentiation with a bias to the low-cost strategy and had documented their vision and mission statements which had also been communicated to all staff. Studied literature also reveal that performance of organizations is influenced positively by the strategies that organizations engage in though with a low margin. Ayande's (2010) observes that strategic decisions are based on conscious cost reduction, provision of excellent customer service, ensuring efficiency, product segmentation and quality control of products and services. He adds that Safaricom's performance is largely influenced by the strategies it employs.

Wangari (2007) observes that most hair salons in Nairobi employ competitive strategies with emphasis on differentiation which has influenced their performance and draws a relationship between strategies employed and performance of the salons in Nairobi. While identifying variables that influence organizational performance in 92 Romanian manufacturing firms, Gavrea, Ilies and Stegerean (2011) analyze eleven variables including strategy, leadership, structure, innovation, technology and external environment among others. Their findings reveal that it's only structure that lacked significant relationship with the overall firms' performance. Liu (2011) observes that there is positive association between strategy and performance among born-global multinational entities while alludes that market orientation, the quality of service offered enhance performance of stockbrokers in Mauritius.

Organization performance is a continuous cycle which involves agreeing on a performance plan, implementing it and evaluating milestones (Andrews, 2014). Some organizations adopt several specific strategies while others only focus on one strategy at a time. But, no organization can implement all strategies that they consider important hence there has to be prioritization (David, 2009). Krop (2014) examines human resource, finance and technology strategies adopted by SMEs in Kenya. Findings reveal that strategy alone does not result to performance but also other variables that relate to the location contribute. Ali (2013) suggests that innovation strategy has increased performance of telecommunication companies in Somalia. Kaplan (2005) argues that strategy translates organizations from their present situation to future desired by answering three key questions; where is the organization today, where does the organization want to be and how will this be achieved.

Performance is effectively measured by comparing the expected outcomes against the actual results and both financial and non-financial variables should be explored (Buichi, 1994). In the Banking industry, traditionally only financial measures were incorporated but today even non-financial measures are becoming critical though difficult to implement (Ittner & Larcker, 2000). They further argue that non-financial measures provide a better indication of an organization's future performance. The balanced scorecard is a strategic tool used by organizations to plan and manage performance while ensuring that they are aligned to their vision. It looks at both traditional financial and non-financial elements that determine an organization's performance (Kaplan & Norton, 1996). This tool has four perspectives; Learning and growth, Customer service, Financials and a focus on efficiency of an organizations processes and quality of service and products. Balance score cards provide organizations with a wider scope of looking at performance and determining the critical performance indicators (Johnson, Scholes & Whittington, 2008).

Covey (2007) purports that there is a connection between strategy and performance. Strategies that lead to high performance are those that emphasize on use of technology, ever discovering of new markets, excellent customer service, cost effectiveness and conscious focus on employee productivity (Vickery, Droge & Markeland, 1993). Wahid (2010) observes that innovation is not a sufficient condition to support an organization to perform. While studying the relationship between innovation and organization performance, he posits that intensive research and development which brings about innovation has a negative correlation on organization performance unless supported by other factors.

2.4 Perceived Influence of Strategy on Performance

Perceptions influence expectations and are significant in every day decision making. Robbins, Judge and Vohra (2011) argue that within an organization, perceptions are influenced by the culture in place, policies, procedures, regulations and past experiences. Perceptions can influence an organization's set goals and evaluation of resultant performance. Ingram and McDonnel (1996) observe that managers constantly assess performance using a set of scale developed internally based on what they have observed over time and what motivates them. Despite the general perception that strategy improves performance in an organization, this may not be feasible if wrongly pursued (Steiner, 1979). Steiner further argues that a wrong strategy or wrongly implemented strategy may not lead to organization performance. Companies realize only 60 per cent of value from their strategies because of unforeseen defects in planning and execution (Mankins & Steele, 2005).

Since perception involves interpreting stimuli and making meaningful conclusions out of it, individuals require complete information on strategies employed and details of organization performance. Perception of managers influences the direction an organization will take while planning. Organizations use managers' perceptions on daily basis. Hargis (2010) argues that growth of an organization and its survival is dependent on the business leaders. Managers similarly have negative perceptions on how an organization performs (Nyaga, 2013). Managers' perception affects their contribution towards strategy process. Through an understanding of how managers perceive the influence of strategy on organization performance, the Bank can put in place strategic measures to guide their perceptions.

The impact of strategy on performance is supported through available literature in the field of strategy. Strategy has been verified to be a powerful tool that enables organizations stay on course towards superior performance. The success of strategy depends on its formulation and how it will be implemented. Pearce and Robinson (1988) observe that strategies that have been well thought out and implemented provide long term direction to a firm, helps it withstand the environmental dynamics hence focusing its effort and resources to the market. The effectiveness of a strategy will result in determination of whether an organization is performing or not. The success of a corporate strategy is determined through a rigorous analysis of an organization's actions and results

(Haberberg & Rieple, 2008). This implies not only achieving the performance goals but also in a sustainable manner (Porter, 1985). Sustainability of strategies is determined by continually measuring a firm's performance. While appreciating, that strategy has an influence on performance, managers should create avenues for employees to participate in identification of opportunities that lead to superior organization performance (Johnson, Scholes & Whittington, 2008).

The influence of strategy on performance varies from one person or industry to another. This is because measures of performance also vary accordingly. Georgopoulos and Tannenbaum (1957) argue that in the 1950's organizational performance was viewed in terms of how organizational objectives were fulfilled. In the 1960s and 1970s, organizations performance was measured based on an organization's ability to use the scarce resources within its reach while meeting the needs of its customers (Yutchman & Seashore, 1967). Most industrial firms' measure of performance is tied its profitability levels, market share, productivity and staff turnover (Rosen, 1995).

Managers' attitudes determine whether a strategy will be successful or not. They shape other employees' thoughts and attitudes and encourage employees to work towards shared goals (Curtin, 2009). Rao (2008) and Mullins (2005) observe that managerial influence shape or alter perception of employees. Managers may perceive strategy as an enabler or stumbling block since it provides boundaries to operate in. Zaleznick (1977) in Rowe (2001) observes that managers make decisions that are systematic and programmatic. They can convert strategies into effective action plans (Chapman, 2004). Aosa (2008) observes that managers influence how strategic plans are implemented by exhibiting either low or high participation. Managers make decisions based on how they perceive, some have experienced situations where their perceptions of the events or surrounding were wrong. Though there is consensus that accurate perceptions provide a stronger ground for decision making, some managers argue that the effects of wrong perception are always minor (Brewer, 2005). Thus, the managers' perceptions are essential in determining the influence of strategy on performance.

2.5 Summary of Knowledge Gaps

Studies on perceived influence of strategy on organization performance for example by (Covey, 2007; Wangari, 2007; Fakii, 2013; Krop, 2014 and Riungu, 2008) gave a general perspective that strategy influences performance and further indicated that strategic choices that relate to innovation, cost leadership, differentiation, human resources, efficiency and effectiveness are key in giving an organization competitive advantage hence influencing performance. Some studies have also indicated the extend of the influence (Fakii, 2013). Research on the influence of corporate strategy on organization performance has been advanced by scholars like Porter (1980); Porter (1985) and Ansoff 1965 who draw the link between strategy and organization performance by providing strategic tools that organizations can use. Organizations that don't engage such strategies struggle to perform.

Reviewed literature on the variables related to strategy that influence performance had not been keenly brought out. Despite the findings in most of the studies, scholars suggested further research into the topic with an extension to include diverse organizations and target individual institutions while appreciating the influence of contexts in research.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the procedure that was used to conduct the study. It incorporates methods applied in gathering, analyzing and reporting the findings to achieve the objectives of the study. The study's population was also identified.

3.2 Research Design

This study adopted the descriptive cross-sectional research design which provided a clear description of people's attitudes and interpretation through observation (Chandran, 2004). Robson (2002) argues that this design depicts accurate profiles of people, events and situations. Orodho (2008) argues that a descriptive survey is suitable for collecting information on social issues, attitudes, habits and opinions.

A survey made possible collection of data from the population in an easy and economical way. Surveys allow one to collect quantitative data and make comparisons since the data can easily be analyzed using descriptive and inferential statistics methods (Saunders, 2007). This design was appropriate for this study because of the subjectivity and complexity that perception brings since people's perception is shaped by their expectations (Ngahu, 2009). Kinuu, Ongeti, Machuki and Njoroge (2015) used this design with high levels of success.

3.3 Population of Study

Population is an entire group of people that a study wishes to investigate (Sekaran, 2003). Population is a precise group of people, service, elements, events, group of things or households that are being studied (Mugenda & Mugenda, 2003). The target population for this study was managers at Equity Bank Limited in Kenya. The online business dictionary defines a manager as someone who has people reporting into him or her and or is in charge of a subset of the company. The Bank has 324 managers comprising 177 branch heads and 147 head office functional heads and unit heads.

3.4 Sample Design

Sampling entails selecting elements of a population on which generalizations can be made about the entire population. Stratified sampling was used to obtain the most accurate and representative sample by using a statistical formula assuming 95% confidence level, which translated to 1.96 on the Z-table and +5% accuracy level was adopted. Since p was unknown, Mugenda and Mugenda (2003) advise that both be set at 50%.

$$n = \frac{x^2 \ NP(1-P)}{e^2(N-1) + X^2P(1-P)}$$

Where: n= sample size

p= anticipated population (0.50)

e = Error of estimation margin. (0.05)

x = Confidence level (1.96)

N = Given population

$$n = \frac{1.96^2 \times 324 \times 0.5(1-0.5)}{0.05^2(324-1) + (1.96^2 \times 0.50(1-0.50)} = 176$$

The sample size was 176 managers.

Since this population was widely distributed across the country, the researcher purposively selected two clusters to derive the sample size from; Nairobi Region managers and Head Office managers. This selection was as a result of the researcher's knowledge of the population and study purpose which enabled the researcher to get the right respondents as per the subject.

3.5 Data Collection

The study used primary data which was collected through a self-administered questionnaire. Kothari (2004) observes that the questionnaire is an appropriate instrument for collection of huge amounts of data within a short time and economically. It allows for anonymity hence guaranteeing confidentiality of respondents and source of information. The questionnaire was administered using the drop and pick method and follow up calls were done to improve on the response rate. The questionnaire was structured and divided into two parts A and B with open-ended and closed-ended questions. Part A had questions that enabled the researcher to obtain background information about respondents with regards to the organization. Part B had factors on their perception towards the influence of corporate strategy on performance at Equity Bank Limited. Each questionnaire response was assumed to represent the whole organization.

Perception can be measured using different scales. Measurement involves assigning a number to an object which reflects the extent to which an object possesses a certain characteristic (Panneerselvam, 2006). This can be done through ranking, ordering, categorizing or rating. This study adopted the rating method and applied the most common scale used in measuring perception - the Likert scale which was proposed by Rensis Likert in 1932. In this, a respondent was asked whether they agreed or disagreed with the identified factors by choosing one of the following categories; agree, disagree, strongly agree, strongly disagree and neutral.

3.6 Data Analysis

The findings on demographic section were analyzed using descriptive and inferential statistical tools of analysis. Descriptive statistics (percentages, frequencies and one sample t-test) were used to assess the various factors and their potency in influencing performance. The researcher carried out a T-test at 95% confidence level to establish the significance of the independent variable in explaining the changes in the dependent variable. To arrive at the specific indices, the researcher regarded a 5 -scoring as 100% agreement while 1 – scoring as 100% disagreement and a 3 – scoring will be neutral.

The data on the specific objective was analyzed using factor analysis. Factor analysis was used to reduce data to small sets of variables and gauge whether the items used predicted the underlying dimensions which were being evaluated. Factor analysis is a statistical method used to describe variability among observed, correlated variables in terms of a potentially lower number of unobserved variables (Costello & Osborne, 2005). Factor analysis attempts to bring inter-correlated variables together under more general, underlying variables. Statistical package for social sciences (SPSS) version 20 was used to carry out factor analysis.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND FINDINGS

4.1 Introduction

This study was carried out with an objective of determining the perceived influence of corporate strategy on performance at Equity Bank Limited. It adopted structured questionnaire which was constructed using statements from the literature. The questionnaire was dropped to the respondents and picked after respondents had filled them. Data collected for this study was analyzed and interpreted in line with the objective using factor analysis.

The respondents of this study comprised of Managers at Equity Bank Limited. One Hundred and seventy-six (176) questionnaires were administered to managers from different departments and branches, 154 returned the questionnaires registering a response rate of 86% which was considered accurate for statistical analysis. This chapter presents the analysis of data, interpretations of findings and discussions thereof. Table 4.1 presents the study's response rate.

Table 4.1: Response Rate

Target Population	176
Reponses	154
Response Rate	86%

Source: Survey Data (2018)

4.2 Respondents Demographics

This study sought data on various respondents' demographics which included gender of respondents, age, highest education level, respondents' years of experience in the roles that they were holding and extend of involvement in the strategy process. This was considered important in order to give a description of the study participants. Since the study was focusing on perceptions it was important to unpack the characteristics of the managers since their perception is influenced by their level of seniority, experience, familiarity with bank's strategy process and the departments they work in (Rugut, 2012).

4.2.1 Respondents' Designation

The respondents were asked to indicate their designation in the bank. This enabled the researcher to identify whether the respondent was in head office or in the branch network. Information on respondents' designation is presented in Table 4.2.

Table 4.2: Respondent's Designation

	Frequency	**Percent**
Head Office Managers	57	37.1
Branch Managers	97	62.9
Total	**154**	**100.0**

Source: Survey Data (2018)

The study shows that 62.9% of the respondents were Branch managers while 37.1% managers were in head office departments. The study targeted the management staff since by nature of their roles, they are exposed to the strategy process in organizations and are in a strategic position to articulate the perceived influence of corporate strategies on the performance of Equity Bank Limited.

4.2.2 Respondents' Gender

The respondents' gender classification is presented in Table 4.3.

Table 4.3: Respondents' Gender

Category	Frequency	Percent
Male	101	65.7
Female	53	34.3
Total	**154**	**100.0**

Source: Survey Data (2018)

On findings on gender distribution, out of the 154 respondents 66% of the respondents were male while 34% were female. This shows that most of the managers in the bank at the time of the research were of male gender.

4.2.3 Respondents' Age

Age in this study was significant because age and working experience are two factors that highly correlate. This is according to the theory technology acceptance. The findings are shown in Table 4.4.

Table 4.4: Age Distribution

Age bracket	Frequency	Percentage
Over 50 years	14	9.1
41 -50 years	9	5.8
31 – 40 years	127	82.5
30 and below	4	2.6
Total	**154**	**100.0**

Source: Survey Data (2018)

The results reveal that 82.5% of the respondents were aged between 31- 40 years, 5.8% aged between 41-50 years, 9.1% over 50years and 2.6%.

4.2.4 Highest Education Level

The respondents were requested to indicate their highest level of education and the results are presented in the Table 4.5.

Table 4.5: Highest Education Level

	Frequency	Percentage
Diploma	9	5.8
Bachelors	57	37.0
Master Degree	79	51.3
Doctor of Philosophy	9	5.8
Total	**154**	**100.0**

Source: Survey Data (2018)

The findings on respondents' highest level of education indicated that 51% of the respondents had a master's degree, 37% with a bachelor's degree, while 6% had a diploma and a PhD respectively.

4.2.5 Length of Time in the Bank

The respondents were requested to indicate the number of years they had worked in Equity bank. The results are presented in the Table 4.6.

Table 4.6: Length of Time in the Bank

	Frequency	Percentage
Over 15 years	0	0
11 – 15 years	22	14.3
5 – 10 years	44	28.6
Less than 5 years	88	57.1
Total	**154**	**100.0**

Source: Survey Data (2018)

The study results above show that the respondents had worked in the bank for a duration of between 0- 5 years recorded (57.1%) while 28.6% had worked in the bank between 5-10 years and 14.3% had worked in the bank between 11-15 years. The study shows that most of the managers had worked in the bank for over one year which means that they have been part of the change management that has been facilitating formulation and implementation of corporate strategies in the bank hence they increased reliability of the given information.

4.2.6 Participation in Formulation, Implementation and Evaluation of Strategy

Table 4.7 represents the extent to which the respondents were involved in formulating, implementing and evaluating strategy in the organization. Since perception is interpretation of the world around us, the study's objectivity was guaranteed if respondents were involved in strategy formulation, implementation and evaluation. The findings reveal that respondents are involved to a great extent in formulation, implementation and evaluation of corporate strategies in the organization with a mean of (3.57) and standard deviation of (0.815).

Table 4.7: Involvement in Strategy Process

	Frequency	Percent	Mean	SD
Very great extent	13	8.4		
Great extent	75	48.7	3.57	
Moderate extent	53	34.4		0.815
Small extent	13	8.4		
Not at all	0	0		
Total	**154**	**100.0**		

Source: Survey Data (2018)

The findings above indicate that all managers in the bank are involved in one way or another in the strategy process with 49% indicating that their involvement is at a great extent and only 8% indicated their involvement at a small extent. The small percentage could be attributed to the managers who were new and still on the learning curve in the bank.

4.3 Perceived Influence of Corporate Strategy on Performance at Equity Bank

Respondents were requested to indicate the extent to which they agreed with the statements that represented tenets of corporate strategy in the Bank. The data analysis entailed one sample t-test at value 3 and component factor analysis for factor extraction. The value of 3 was chosen since it was the midpoint of the 5-point Likert scale as was used in the questionnaire. The one sample t-test generated mean scores and t-values. A t-value above 3 indicates that the factor is perceived to support the objective to a great extent. The mean score value indicates the rating of a factor by respondents with regards to the influence of corporate strategy on performance. The coefficient of variation (CV) for each statement was also established. Findings of the study are presented in Table 4.8.

Table 4.8: One Sample t Test

Statements	N	Mean	t-value	Sig.	CV
Strategy portrays management's intention to achieve success	154	4.54	6.534	.003	14.5
The banks entry strategy into the market still has a contribution to its performance	154	4.51	6.491	.012	14.6
The bank strategy has been key in enhancing its performance	154	4.49	6.462	.000	22.7
Strategy has supported products reengineering which has led to production of reliable financial service delivery channels	154	4.49	5.107	.001	12.5
Strategy enhances overall organization performance	154	4.49	6.462	.000	17.4
Strategy has created a strong market position for the bank	154	4.43	6.376	.025	17.6
Day-to-day decisions made by top management are geared towards fulfilling the strategy	154	4.40	3.526	.000	17.6
Strategy has led to effective prioritization of tasks and activities in the bank	154	4.37	6.290	.000	20.1
Strategy has cushioned the bank from the external threats	154	4.34	6.246	.119	16.7
Organization performance is premised on people’s ability to drive the strategy	154	4.34	3.478	.010	17.6
Strategy has created awareness to the employees on the strategic direction of the bank	154	4.34	6.246	.003	21.6
The banks strategy makes me feel responsible for my performance and that of my organization	154	4.29	6.174	.000	15.5
Strategy has enabled bank to negate its threats and amplify its strength	154	4.26	6.131	.000	19.2

Table 4.8 continued

Strategy has shaped the organization culture which creates focus	154	4.26	6.131	.042	16.5
Banks performance is measured in terms of its market scope, profitability and efficiency	154	4.26	6.131	.002	17.4
Investment in infrastructure has enhanced banks performance	154	4.23	6.088	.000	19.9
the banks strategy is incorporated in recruitment practices	154	4.20	6.045	.000	18.9
Strategy enables us to adjust our approach to business via our experience from the things we do on daily basis	154	4.20	6.045	.000	18.1
Because of strategy, the bank monitors its performance on a regular basis to check if it is still on course	154	4.17	6.002	.003	19.7
Strategy has enhanced team spirit and harmony among amongst employees in the bank	154	4.11	5.915	.020	20.2
Strategy has enabled the bank to find strategic fit with the environment	154	4.06	5.843	.001	18.8
Strategies that lead to high performance are those that emphasize on use of technology	154	4.06	5.843	.001	22.3
Banks strategy supports employees to be innovative	154	4.06	5.843	.000	19.8
The banks strategy has emphasized competition among the employees to meet targets	154	4.03	3.230	.025	20.4
Through strategy. Bank products are designed per customer need hence reducing failure costs	154	4.00	5.757	.000	16.1
Strategy has encouraged participatory approach to decision making in the bank	154	4.00	5.757	.119	21.0
Through strategy, staff are equipped with knowledge to cope with institutional challenges	154	4.00	5.757	.000	18.2
All managers are involved in cascading the strategy to their employees in the bank	154	3.97	5.714	.018	23.2

Table 4.8 continued

The banks strategy has made it possible for bottom up and up bottom feedback mechanisms in the bank	154	3.94	5.671	.003	23.0
Because of strategy in place, there is timely responsiveness in resolving complaints in the bank	154	3.91	3.677	.000	21.8
The bank invests on staff training as a way of building intellectual capital which is key in driving performance	154	3.91	5.627	.000	26.6
Employees in the bank are provided with regular feedback on their performance	154	3.91	5.627	.031	19.0
Strategy has led to clarity of roles and responsibilities in the bank	154	3.89	5.599	.170	20.5
Strategy has encouraged proactive tendencies among employees thus improving efficiency	154	3.77	5.426	.000	23.3
Through low cost strategy, the bank provides low cost products to the market	154	3.77	3.022	.000	25.0
Strategic direction of the bank has led to a reduction of conflicts among employees in the bank	154	3.69	5.311	.003	23.4
Strategy has led to improvement in office ambience in the bank	154	3.63	3.414	.000	25.1
Strategy has led to job specialization among employees in the bank	154	3.63	5.225	.020	25.1
Strategy has led to value adding job rotation in the bank	154	3.60	5.181	.003	24.5
Strategy has improved employees' attitudes towards work	154	3.54	3.329	.021	19.8
Average Mean		**4**			

Source: Survey Data (2018)

Findings from the one sample t-test indicated the managers responses were significantly varying from the mean. This meant that most factors considered for this study registered a mean score of more than three, which suggested that the means scores were statistically significant. Higher loadings suggest stronger factor contribution to the variable. The implication of this was that most respondents felt that these factors were aligned to the fact that corporate strategy influences performance and to a larger extend. Those that stood out registering higher means included the fact that corporate strategy is linked to management's intention to achieve success. All respondents (100%) perceived that corporate strategy has an influence on performance. The respondents agreed that strategy portrayed management's intention to achieve success, registering a mean of (4.54). They were also in agreement that the banks entry strategy into the market had a contribution to its performance. The bank strategy has been key in enhancing its performance and this registered (4.49) as mean while product reengineering which has led to production of reliable delivery of financial services had a mean of (4.49). This meant that the Bank keeps aligning its product mix to match customer needs thus at any one time push products in the market that are relevant to the customers. Strategy enhances overall organization performance scored a mean of (4.49).

The respondents further agreed that the strategy had created a strong market position for the bank and that strategy had led to effective prioritization of tasks and activities in the bank scoring means of (4.43) and (4.37) respectively. Most respondents supported the fact that organization performance was premised on people’s ability to drive the strategy which scored a mean of (4.34). That, the human resources are the enablers to successful strategy process otherwise plans and strategies just remain as good as on paper if the human factor does not come into play. Strategy enabled the bank to negate its threats and amplify its strength while shaping the organization culture and creating focus.

The managers also noted that investment in technological and structural infrastructure was significant in enhancing bank's superior performance. This is supported by the fact that digitization basically means moving all your manual processes to online portals. Strategy incorporation in recruitment practices scored mean of (4.20). Strategy enabling adjustment of approach and behaviour to business via experience from the things done on daily basis was noted to be important with a mean of (4.20). The managers also perceived that team spirit and harmony promoted among employees in the bank is a strategic practice that has contributed to bank's good performance. This scored a mean of (4.11) while the fact that bank's corporate strategy enables the bank to find strategic fit with the environment had a score of (4.06). The bank's culture supports employees to be innovative scored a mean of (4.06) while with a mean of (4.03), managers perceived that the corporate strategy emphasizes competition among employees to meet their targets and outshine others. This makes the work environment to be a high performance environment with only room to deliver superior results.

Managers observed with a mean of (4.00), that in the bank products are being designed as per customer needs, there's participatory approach scoring a mean of (4.00) and that staff are equipped with knowledge and information that assists them cope with institutional challenges and changes scored a mean of (4.00). Respondents also agreed that all managers are involved in cascading strategy with a mean of (3.97). A clear communication structure with supportive bottom up and up bottom feedback mechanisms was highly voted for. The employees also attributed the Bank's success to timely responsiveness in resolving customer complaints. This is captured in the company's service charter. This recorded a mean of (3.91).

Respondents also agreed with a mean of (3.91) to the fact that the bank takes its staff through various trainings to build up the intellectual capital which is one of the drivers of superior performance. With a mean of (3.91), managers perceived that providing employees with regular feedback on their performance is a strategic practice that has led to increased performance. The bank has clarified roles and responsibilities of each staff hence ensuring that time is well utilized in the organization, this scored a mean of (3.89). Respondents also perceived with a mean of (3.77) that since management encourages proactive tendencies among staff, this leads to increased efficiency across the organization. With the low cost strategy, the bank majorly provides low cost products and services to its customers hence gaining trust from the low market segments. This scored a mean of (3.77). Managers backed the fact that corporate strategy has enhanced relationships in the bank thus reduction of conflicts among employees with a mean of (3.69) while improvement in office ambience in the bank and job specialization scored a mean of (3.63).

Job rotation in the bank is a strategic decision to ensure that there is shadowing on all positions. This meant that if a staff left or is away, service delivery will not be impacted in any way. This scored a mean of (3.60) while the corporate strategy's contribution to attitude improvement scored a mean of (3.54). On overall, respondents perceive to a very great extent that corporate strategies influence the bank performance with a mean of (4.00). This study revealed that there is a direct connection between the mean scores and t-values. The higher the mean scores, the higher the t-value and consequently the higher the significance level as depicted from the one sample t-test. Most factors considered in this study registered a mean score of more than three, which implies that these mean scores are statistically significant from the mid-point (3). The extrapolation of this is that most respondents felt that these factors related to the allusion that corporate strategy influences performance in Equity Bank.

The coefficient of variation for each statement was determined. This is the ratio of the standard deviation to the mean. The higher the coefficient of variation, the greater the level of dispersion around the mean. From the findings, most statements had their coefficient of variation between 16% and 19% while a few had above 20%. This implies that most statements were supported the notion that strategy influenced performance at Equity Bank Limited. Further analysis to determine the perceived link between corporate strategy and perception was done through factor analysis as adopted by Kurendi (2013) in a similar study that involved measurement of perception. This analysis helped explain patterns of correlation within the variables and resulted into communalities, total variance and component matrix. This generated communalities to extract the factors that influence performance. Communality is the proportion of variance that an item has in common with other items. Table 4.9 presents the communalities and displays how much of the variance in the variables has been accounted for by the extracted factors.

Table 4.9: Communalities

Statement	Initial	Extraction
Strategy enhances overall organization performance	1.000	.853
Strategy has enhanced team spirit and harmony among amongst employees in the bank	1.000	.748
Day-to-day decisions made by top management are geared towards fulfilling the strategy	1.000	.816
Strategy has created awareness to the employees on the strategic direction of the bank	1.000	.827
Strategy portrays management's intention to achieve success	1.000	.855

Table 4.9 continued

Strategy has encouraged participatory approach to decision making in the bank	1.000	.841
Banks strategy supports employees to be innovative	1.000	.855
All managers are involved in cascading the strategy to their employees in the bank	1.000	.803
Employees in the bank are provided with regular feedback on their performance	1.000	.851
Strategy has encouraged proactive tendencies among employees thus improving efficiency	1.000	.854
Strategy has led to clarity of roles and responsibilities in the bank	1.000	.827
Strategy has improved employees' attitudes towards work	1.000	.829
Strategy has led to improvement in office ambience in the bank	1.000	.748
Strategy has led to job specialization among employees in the bank	1.000	.654
Strategy has led to value adding job rotation in the bank	1.000	.848
Because of strategy in place, there is timely responsiveness in resolving complaints in the bank	1.000	.852
Strategic direction of the bank has led to a reduction of conflicts among employees in the bank	1.000	.808
Strategies that lead to high performance are those that emphasize on use of technology	1.000	.734
Strategy has enabled the bank to find strategic fit with the environment	1.000	.831
Strategy has created a strong market position for the bank	1.000	.811
Through low cost strategy, the bank provides low cost products to the market	1.000	.853
Investment in infrastructure has enhanced banks performance	1.000	.776
Strategy has cushioned the bank from the external threats	1.000	.691
Strategy has supported products reengineering which has led to production of reliable financial service delivery channels	1.000	.662
Through strategy. Bank products are designed per customer need hence reducing failure costs	1.000	.648
Strategy enables us to adjust our approach to business via our experience from the things we do on daily basis	1.000	.697
The banks strategy has emphasized competition among the employees to meet targets	1.000	.831

Table 4.9 continued

Through strategy, staff are equipped with knowledge to cope with institutional challenges	1.000	.755
Organization performance is premised on people's ability to drive the strategy	1.000	.844
Because of strategy, the bank monitors its performance on a regular basis to check if it is still on course	1.000	.775
Banks performance is measured in terms of its market scope, profitability and efficiency	1.000	.855
The bank invests on staff training as a way of building intellectual capital which is key in driving performance	1.000	.843
The banks strategy is incorporated in recruitment practices	1.000	.747
The banks strategy makes me feel responsible for my performance and that of my organization	1.000	.894
Strategy has shaped the organization culture which creates focus	1.000	.900
The banks strategy has made it possible for bottom up and up bottom feedback mechanisms in the bank	1.000	.863
Strategy has enabled bank to negate its threats and amplify its strength	1.000	.749
The banks entry strategy into the market still has a contribution to its performance	1.000	.865
The bank strategy has been key in enhancing its performance	1.000	.891

Extraction Method: Principal Component Analysis.
Source: Survey Data (2018)

Communalities indicate the extent to which a variable has been accounted for by the extracted factors. Higher communalities are desirable. According to the communalities, any factor with an extraction of close to -1 or 1indicates that the factor strongly influences the variable under study. Results in Table 4.9 indicate the factors of corporate strategy that mainly influence performance at Equity Bank since most factors had extraction values of above 0.7.

From the analysis, factors with their eigen values, the percentage of their variance and cumulative variance of the factor from the previous factor were extracted. Principal component analysis was used to extract the factors. Total variance explained shows all the factors extracted with their eigenvalues, the percent of variance percentage attributed to each factor and the cumulative variance of the factor and the previous factors. The eigen values indicate the relative importance of each factor, those with small eigen value were left out. Findings revealed that only nine factors were significant for the analysis with the first factor accounting for 42.841% of the variance and 7.688%, 6.442%, 5.701%, 4.314%, 4.094%, 3.493% and 3.070% respectively while the ninth factor accounted for 2.833% of the variance. All remaining factors were considered not significant. These findings are presented in Table 4.10.

Table 4.10: Total Variance

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	16.708	42.841	42.841	16.708	42.841	42.841
2	2.998	7.688	50.529	2.998	7.688	50.529
3	2.513	6.442	56.971	2.513	6.442	56.971
4	2.223	5.701	62.672	2.223	5.701	62.672
5	1.682	4.314	66.985	1.682	4.314	66.985
6	1.597	4.094	71.079	1.597	4.094	71.079
7	1.362	3.493	74.572	1.362	3.493	74.572
8	1.197	3.070	77.642	1.197	3.070	77.642
9	1.105	2.833	80.476	1.105	2.833	80.476
10	.955	2.450	82.926			
11	.911	2.335	85.261			
12	.700	1.796	87.057			
13	.694	1.779	88.835			
14	.631	1.618	90.454			
15	.523	1.342	91.796			

Table 4.10 continued

16	.465	1.193	92.988
17	.426	1.093	94.081
18	.384	.986	95.067
19	.305	.782	95.849
20	.283	.726	96.575
21	.230	.590	97.165
22	.214	.549	97.714
23	.204	.522	98.236
24	.180	.461	98.697
25	.134	.344	99.041
26	.112	.287	99.328
27	.077	.198	99.526
28	.069	.177	99.703
29	.037	.094	99.797
30	.030	.077	99.874
31	.023	.058	99.932
32	.012	.031	99.963
33	.010	.026	99.989
34	.004	.011	100.000
35	8.516E-016	2.184E-015	100.000
36	9.907E-017	2.540E-016	100.000
37	-9.813E-017	-2.516E-016	100.000
38	-2.465E-016	-6.320E-016	100.000
39	-7.607E-016	-1.951E-015	100.000

Source: Survey Data (2018)

Further analysis obtained the component matrix which shows the loadings of the forty variables on the nine factors extracted. Results from this matrix indicate that the higher the absolute value of the loading, the more the factor contributes to the variable. A component matrix containing the Eigen values in respect to each factor was extracted from the factor analysis. The results are presented in Table 4.11.

Table 4.11: Component Matrix

Statement	1	2	3	4	5	6	7	8
The bank strategy has been key in enhancing its performance	.844							
The bank invests on staff training as a way of building intellectual capital which is key in driving performance	.824							
The banks strategy has made it possible for bottom up and up bottom feedback mechanisms in the bank	.804							
Day-to-day decisions made by top management are geared towards fulfilling the strategy	.797							
Strategy has created awareness to the employees on the strategic direction of the bank	.791							
Strategy has led to clarity of roles and responsibilities in the bank	.788							
Strategy has improved employees' attitudes towards work	.742							
Strategy has created a strong market position for the bank	.735							
The banks strategy makes me feel responsible for my performance and that of my organization	.718							.406
Strategy has led to value adding job rotation in the bank	.714							
Because of strategy in place, there is timely responsiveness in resolving complaints in the bank	.712				-.423			
Because of strategy, the bank monitors its performance on a regular basis to check if it is still on course	.708							
The banks corporate strategy has emphasized competition among the employees to meet targets	.707							
Corporate strategy has enabled the bank to find strategic fit with the environment	.706							

Table 4.11 continued

Organization performance is premised on people's ability to drive the strategy	.692							
Strategy has led to improvement in office ambience in the bank	.683							
Strategy has enhanced team spirit and harmony among amongst employees in the bank	.681							
Strategy portrays management's intention to achieve success	.676							
The banks entry strategy into the market still has a contribution to its performance	.672	-.437						
The corporate strategy has encouraged participatory approach to decision making in the bank	.663							
Strategy has enabled bank to negate its threats and amplify its strength	.661							
Strategy has encouraged proactive tendencies among employees thus improving efficiency	.652							
Strategic direction of the bank has led to a reduction of conflicts among employees in the bank	.641	.441						
Strategy has led to job specialization among employees in the bank	.638							
The banks strategy is incorporated in recruitment practices	.633							
Strategy has shaped the organization culture which creates focus	.620		-.599					
Employees in the bank are provided with regular feedback on their performance	.590	.553						
Corporate strategy has cushioned the bank from the external threats	.585							
All managers are involved in cascading the strategy to their employees in the bank	.581	.462						
Banks corporate strategy supports employees to be innovative	.569							.411

Table 4.11 continued

Through strategy, staff are equipped with knowledge to cope with institutional challenges	.565					
Strategy enables us to adjust our approach to business via our experience from the things we do on daily basis	.552					-.432
Investment in infrastructure has enhanced banks performance	.541	-.436				
Banks performance is measured in terms of its market scope, profitability and efficiency	.522		.457			
Through the corporate strategy, bank products are designed per customer need hence reducing failure costs	.475					
Strategy has supported products reengineering which has led to production of reliable financial service delivery channels	.447	-.526				
Strategy enhances overall organization performance			.448	.621		
Through low cost strategy, the bank provides low cost products to the market	.509			.591		
Strategies that lead to high performance are those that emphasize on use of technology	.400				.618	

Extraction Method: Principle Component Analysis
Source: Survey Data (2018)

The component matrix portrays the eigen value with respect to each factor. Each factor belongs to one of the eight factors extracted. The option blank (.30) used which commands SPSS not to print correlation with less than .30 scores hence, the blanks. Each number represents the correlation between the item and the factor. The correlations were relevant in helping interpret the underlying factors. The key findings from this matrix indicate that most of the variables loaded more on to one factor which implies that the strategic factors that influence performance revolve around one component and seem to be internal. From the findings internal factors like employee involvement in the strategy process, leadership, training, clarity of roles, efficiency and clear communication structures loaded more on component one**.**

Rotated component matrix is applicable in reducing the number of factors on which the variables under investigation have high loadings. This is done essentially to enable easier interpretation of the analysis. This matrix displays the loadings for each factor on each rotated component. This study used the varimax rotation method. This method was ideal because of its popularity in the scholarly field. After the varimax rotation, an original variable was associated with a small number of factors with each factor representing only a small number of variables hence simplifying the interpretation and guaranteeing reliability. These results are presented in Table 4.12.

Table 4.12: Rotated Component Matrix

Component	1	2	3	4	5	6	7	8	9
1	.488	.436	.391	.354	.272	.296	.220	.233	.169
2	.694	-.458	-.061	.028	-.099	.119	-.437	-.262	.143
3	.205	.077	-.412	-.379	-.447	.235	.422	.245	.381
4	-.290	-.230	.317	.041	.104	-.016	.187	-.380	.755
5	.205	-.254	.012	-.553	.650	-.050	.361	-.041	-.175
6	-.135	.069	-.685	.357	.404	.383	.019	-.258	.056
7	-.244	-.593	.130	.153	.045	.459	-.018	.578	-.038
8	-.023	.159	-.202	-.156	.343	-.326	-.497	.487	.447
9	.186	-.307	-.213	.497	-.011	-.613	.411	.181	.018

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax Rotation
Source: Survey Data (2018)

From the findings, the rows correspond to the original variables while the columns represent the extracted factors and presents simplified matrix of loadings. Component transformation matrix shows the loadings of the forty factors of the nine factors extracted.

Results from this matrix indicated that the higher the absolute value of the loading, the more the factor contributed to the variable. The key findings from this matrix indicated that the majority of the variables loaded more on factor one as opposed to the other factors.

4.4 Discussion of Findings

This study sought to determine the perceived influence of corporate strategy on performance of Equity Bank Limited. Findings strongly revealed that managers perceive that corporate strategy influences performance in Equity Bank Limited. This section presents the discussions on research findings including comparison with the three theories stated in chapter two that guided the study; Cognitive Psychology theory, Attribution theory and Resource Based theory. The results are also compared with empirical studies undertaken in the past.

4.4.1 Comparison with the Theories

Consistent with the Cognitive Psychology theory and attribution theory supposition that people respond to stimuli in their environment based on their motivational biases, the findings of this study demonstrate that respondents' responses were skewed to what was more impressive to them. This is because perception is influenced by people's interests, attributes and attitudes. Ngahu (2009) argues that people perceive issues based on their expectations hence perceptions are very subjective. Findings also reveal that managers responses were based on extent of their involvement in organization's strategic decisions thus, what they knew or had participated in. The study has established that majority of the managers perceived that the organization's corporate strategy has been key in influencing the performance of the Bank. Corporate strategy is cascaded by top most management with lines of communication up and down stream hence building synergies. This resonates with the findings of Armstrong (2006) that inadequate leadership and defective internal work systems result into poor organizational performance.

The findings also support the Resource Based theory by pointing that the Bank's resources are critical in enabling it to meet its strategic goals and objectives. Findings on respondents' demographics reveal that the management complement in the bank is between 31years and 40 years. This is a relatively younger generation with great abilities to innovate and easily predict the future through technological practices. As portrayed by the results in the component matrix, most of the relevant factors that loaded onto component one were all internal. This is seen through deployment of technology and innovation, staff involvement in decision making and efficiency among others with less weight given to externally related factors like fitness with the environment and competition.

4.4.2 Comparison with Empirical Studies

Perception is measured through satisfaction. Managers' perception defines the extent to which they contribute their ideas towards the strategy process. This study has established that most managers perceive corporate strategy influence performance. This agrees with a study conducted by Ayande (2010) who stated that performance is largely influenced by the strategy an organization employment. Gavrea et al contend that strategy among other variables like leadership and technology have a significant relationship with the overall performance of organizations. People perceive issues according to their expectations (Ngahu, 2009). At Equity Bank, managers perceive that the activities and decisions made on a daily basis forms their corporate strategy and this has sustained their performance over the years.

The findings of this study agree with other relevant studies that have argued that strategies lead to superior performance. Research by Ali (2013) suggests that innovation as a corporate strategy among the telecommunication companies in Somalia has increased their performance. Therefore, organizations should find it necessary to determine a corporate strategy that will be a guiding factor to their path to success. Fakii (2013) finds that state corporations in Kenya that put in place a strategy see the resultant influence on their improved performance. She further argues that the mostly employed strategies in this sector are cost leadership and differentiation strategies. Corporate strategy translates an organization from present situation to a desired future by focusing their activities and resources to achieve the results desired. This is portrayed in the fact that managers at Equity Bank Limited strongly agreed that their day to day decisions made by the top management are geared toward fulfilling their strategy.

Perception is determined by a person's interests, beliefs, attitudes and other personal attributes that basically makes an individual, it’s therefore concluded that perception is highly subjective and selective. Managers’ in the Bank are not yet fully aware that performance does not only depend on the corporate strategy in place but also the environment in which an organization operates in and their perception to such external factors. The findings of the study further reveal that the Bank’s performance depends on the extent to which the corporate strategy is aligned to the environment. Superior performance is dependent on how well managers communicate to their staff the focus of the organization and how they are involved to deliver value to the customers.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter discusses a summary of the findings, the recommendations for policy and practice, limitations of the study and suggestions for further research which can be adopted by education institutions as interesting area of study, financial institutions and government and non-governmental agencies that operate in the financial space with an aim of improving performance. The one aim of this study was to determine the perceived influence of corporate strategy on performance at Equity Bank Limited. The study has determined the perceived influence of corporate strategy on performance and the factors that influence such perceptions at Equity Bank Limited.

5.2 Summary of Findings

The key findings along the study objective reveal that managers perceive corporate strategy to have a positive influence on the Bank's performance. The managers have a clear regard of corporate strategy as the direction and scope the bank has taken in achieving its goals. Consistent with the theories, organization resources like intellectual capital, technology employed have been revealed as key in enhancing performance. The findings also reveal that managers are involved in the strategy process in the Bank. There is prioritization of tasks, performance measurement as corporate strategy practices employed in the bank. Findings of this study also agree with other empirical studies that have perceived that strategy as a lead to superior performance. This is seen through continuous monitoring of performance to ensure that the organization is still on course and encouragement of positive competition among employees thus guaranteeing meeting of set targets. Findings on respondents' demographics revealed that the bank has more male than female in managerial positions which may be an interesting area for further study to ascertain if there is any correlation between gender complement and success of strategy implementation. Due to the age of the company, most managerial positions are held by slightly younger staff (between ages 31- 40 years) with high education achievements, majority of the respondents holding Masters' degrees. This may explain the innovative characteristic of the organization.

Organizations today are pre-occupied with ensuring that their performance is sustained over time by employing superior strategies that cannot be replicated by their competitors. From the findings, the bank has segmented its market scope and creates products and services that are specific to its different clientele needs. On the other hand, low cost strategy has also steered the bank's performance. All respondents were familiar with the term corporate strategy and its contribution to the bank's performance. While a few regarded corporate strategy as the actions towards achieving the bank's goals and objectives, most understood it as the direction and scope that the Bank takes in achieving set goals and there are several strategic practices therein. Corporate strategy is an action that a company takes to achieve its goals and attain superior performance (Hill & Jones, 2001). All respondents agreed that the Bank has a corporate strategy that enables it to survive and beat its competitors. Thompson and Strickland (2002) argue that one of the key elements of corporate strategy includes its approaches that a firm takes to ensure a strategic fit with its environment and designing products in line with the customer needs.

Results from the one sample t-test indicated the higher the significance level, the higher the t-value and that that corporate strategy influenced performance to a large extent. This is because 3 was used as the mid-point and any factor that recorded a t value higher than 3 was interpreted as highly supportive of the objective. From the factor analysis and subsequent communalities, total variance and component matrices obtained, the forty factors were reduced into eight factors where majority or internal strategic related factors loaded onto the first component.

5.3 Conclusions

This study concludes that managers perceive that the bank's strategy has a big influence on its performance. The study further concludes that managers are highly involved in the strategy process. Those who have served for between 11 and 15 years indicated that their involvement was higher compared to those who had served for a few years. This could be attributed to their continuous participation in the process over time. Findings from the factor analysis and one sample t-test indicate that both external and internal factors that relate to strategy do influence performance with internal factors influencing to a large extent, though not all aspects or practices of the corporate strategy were considered in this study.

5.4 Recommendations for Policy and Practice

The following recommendations are given for both policy makers and researchers; the study recommends that for continuous better performance, all employees should be involved in the strategy processes at the same level to ensure that all efforts are geared towards achieving the same goal. The top leadership should see to it that the organization's strategy is cascaded to all managers and employees to guarantee success while also aligning information across the management team. This can also be ensured through employing job rotations which was notably highlighted as a great contribution to bank's performance. Organizations should consider providing regular feedback to their employees with regards to their performance while encouraging positive competition which helps organizations to meet their set targets and goals.

Senior management, Boards of directors and consultants should ensure that they understanding the managers' perceptions before, during and after strategy process. Their perceptions have an implication on the success of the whole process and will determine the extent to which they will support the initiatives. This will also provide a basis to gauge what kind of support or information will the managers need to be effective in the strategy process. Top leadership should sensitize management on the role corporate strategies play in organization's performance. Management should stay clear that people are different, driven by perceptions and drives and this determines the choices they make and determines their responses to different situations hence a need to take advantage of this diversity to build stronger organizations.

Policy makers within the banking industry should make it mandatory for employees serving in management positions within banks to undertake Strategic Management studies. This will help shield the integrity of the industry since through its practices, banks will be able to identify their strengths, weaknesses, opportunities and threats hence conduct clean operations. The Banks and financial institutions at large will gain insights on how to achieve superior performance by adopting and implementing strategies that match their goals. Managers will benefit by getting to know how strategy influences performance and therefore able to implement the strategies. Since banks handle customers’ cash, the Central Bank supervision team should ensure consistent monitoring of banks’ investments. This is because, in today’s banking industry, all banks are moving digital. If there are any banks that are not investing in technology, this should sound an alarm because not so long and they will be pushed out by competition losing customers cash.

5.5 Limitations of the Study

Although achieving its main aim, the study encountered unavoidable limitations. First was time limitation on the part of the respondents. The researcher had a lot of constraints in making appointments to see the respondents as some were senior managers of Equity Bank Limited. In some instances, the researcher made phone calls to request the respondents to participate where they were not found in their offices, which was time consuming. Another limitation was probability of getting responses that could be biased and ambiguous. This is because managers might not have wanted to portray their organization in bad light. Getting information from some of the respondents was difficult since some felt that the information sought was confidential to the Bank.

The researcher overcame the challenge by providing an introduction letter from the University with comments from the Head of Research and Development that the questionnaire did not have any classified information. The researcher also assured the respondents that the information collected was to be treated with confidentiality and to be used purely for academic purpose. Another major limitation encountered was the delay in answering the questionnaires by respondents hence delaying the data analysis, it was expensive and time consuming to distribute the questionnaires, make phone calls for the follow up and collection of the questionnaires.

Availability of little previous studies in the research area and particularly within the banking industry posed a challenge to the researcher. This is because literature review forms basis for any study. The researcher however countered this challenge by using related studies though from different industries as a basis for this study.

5.6 Suggestions for Further Research

The research findings have given insight in perceptions on influence of corporate strategy on performance of Equity Bank Limited, but still further research is required since there are more interesting findings that can be made on this subject with future research. To this end, a further research should be carried out to establish the perceived influence of corporate strategy on performance in other Banks in Kenya. Further, a comparative study on perceived influence of corporate strategy on performance between the banking and non-banking financial entities should be carried out. Since the Kenyan banking sector is so dynamic, a replication of this study should be done after a year to find out if there are any changes that might have taken place due to the passage of time and comparisons be made with the current findings.

Future researchers should consider working with research assistants to ensure that the questionnaire gets to respondents in good time, guaranteeing personalized approach hence improving the response rate. Researchers should also set aside a budget for research to take care of follow up calls, allowance for the research assistants and facilitate distribution of the questionnaire.

It is recommended that future research on the same topic should also incorporate staff at supervisory and lower levels since it was observed that the strategy process cuts across the organizations. Top management carry out the strategic roles while lower level staffs implement the tactical and operational aspects of a strategy. There is also a lot of team work in implementing strategy thus this could provide valuable information that can bring out the ideal representation of perceptions on influence of corporate strategy on organization's performance. This will also assist reduce the challenge of biasness and objectivity because staff at different levels perceive organizational practices, challenges and initiatives differently.

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APPENDICES

Appendix I: Letter of Introduction

P.O Box 75104-00200 ★ EQUITY BANK LIMITED ★ NAIROBI
RESEARCH & PRODUCT DEVELOPMENT DEPARTMENT

Questionnaire reviewed and found okay. No classified info sent.
2885

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS

Telephone: 020-2059162
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P.O. Box 30197
Nairobi, Kenya

DATE 17th October 2017

TO WHOM IT MAY CONCERN

The bearer of this letter FLORA OBUCHUHOV MUGANDA

Registration No. D61/85680/2016

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

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

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

Thank you.

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
17 OCT 2017
P.O. Box 30197 – 00100, NAIROBI

PATRICK NYABUTO
SENIOR ADMINISTRATIVE ASSISTANT
SCHOOL OF BUSINESS

Appendix II: Questionnaire

This questionnaire has been designed to collect information on perceived influence of corporate strategy on performance in of Equity Bank Limited. The information gathered will used purely for academic research and treated with utmost confidence. I therefore kindly request you to provide information to all items in the questionnaire by putting a tick () on one of the options. For questions that require your own opinion, fill in the blanks. (…………….).

PART A: RESPONDENT'S BIO DATA AND GENERAL INFORMATION

1. Name of department…………………………………………………………………...

2. Designation of respondent…………………………………………………………….

3. What is your gender

   a) Male [ ]
   b) Female [ ]

4. What is your age bracket?

   i. 30years and below [ ]
   ii. Between 31 - 40 years [ ]
   iii. Between 41 – 50 years [ ]
   iv. Over 50 years [ ]

5. Kindly indicate your highest-level Education

Diploma	[ ]	Master degree	[ ]
Bachelor's degree	[ ]	Doctor of Philosophy	[ ]

Any other ………………………………………………………………………………

6. How long have you worked in the current position?

   i. Less than 5 year [ ]
   ii. 5 to 10 years [ ]

iii. 11- to 15 years [ ]

iv. Over 15 Years [ ]

7. To what extend does your position allow you to formulate, implement and evaluate strategy in your organization? (Tick on the appropriate answer)

1. Not at all; 2. Small extent; 3. Moderate extent; 4. Great extent; 5. Very great extent.

8. What is your understanding of the role of corporate strategy in the Bank?...

....

SECTION B: PERCEIVED INFLUENCE OF CORPORATE STRATEGY ON PERFORMANCE AT EQUITY BANK LIMITED

1) The following statements describe the influence of strategy on performance of Equity Bank. Please indicate the level of your agreement with each of the following statements.

Use the following key:

1. Strongly disagree; 2. Disagree; 3. Neither agreed nor disagree; 4. Agree; 5. Strongly 6. Strongly agree

No.	**STATEMENT**	**5**	**4**	**3**	**2**	**1**
i.	Strategy enhances overall organization performance					
ii.	Strategy has led to effective prioritization of tasks and activities in the Bank.					
iii.	Strategy has enhanced team spirit and harmony amongst employees in the Bank.					
iv.	Strategy offers a clear purpose and directs activities of the Bank.					
v.	Strategy has created awareness to the employees on the strategic direction of the Bank.					
vi.	Strategy portrays management's intention to achieve success.					
vii.	Strategy has encouraged a participatory approach to decision making in the Bank.					

viii.	Bank's strategy supports employees to be innovative.					
ix.	All managers are involved in cascading the strategy to their employees in the Bank.					
x.	Employees in the Bank are provided regular feedback on their performance					
xi.	Strategy has encouraged proactive tendencies among employees thus improving efficiency.					
xii.	Strategy has led to clarity of roles and responsibilities in the Bank.					
xiii.	Strategy has improved employees' attitudes towards work					
xiv.	Strategy has led to an improvement in office ambience in the Bank					
xv.	Strategy has led to job specialization among employees in the Bank.					
xvi.	Strategy has led to value adding job rotation at the Bank.					
xvii.	Because of the strategy in place, there is timely responsiveness in resolving complaints in the Bank					
xviii.	Strategic direction of the Bank has led to a reduction of conflicts among employees in the Bank.					
xix.	Strategies that lead to high performance are those that emphasize on use of technology					
xx.	Strategy has enabled the Bank to find a strategic fit with the environment.					
xxi.	Strategy has created a strong market position for the Bank.					
xxii.	Through low cost strategy, the Bank provides low cost products to the market					
xxiii.	Investment in infrastructure has enhanced Bank's performance.					
xxiv.	Strategy has cushioned the Bank from the external threats.					
xxv.	Strategy has supported products reengineering which has led to production of reliable financial service delivery channels					

xxvi.	Through strategy, Bank products are designed as per customer need hence reducing failure costs					
xvii.	Strategy enables us adjust our approach to business via our experience from the things we do on daily basis.					
xviii.	The Bank's strategy has emphasized competition among the employees to meet their targets.					
xxix.	Through strategy, staff are equipped with knowledge to cope with institutional challenges					
xxx.	Organization performance is premised on people's ability to drive the strategy					
xxxi.	Because of strategy, the Bank monitors its performance on a regular basis to check if it is still on course					
xxii.	Bank's performance is measured it terms of its market scope, profitability and efficiency					
xxiii.	The Bank invests on staff training as a way of building intellectual capital which is key in driving performance					
xxiv.	The Bank's strategy is incorporated in recruitment practices					
xxv.	The Bank's strategy makes me feel responsible for my performance and that of my organization.					
xxvi.	Strategy has shaped the organization culture which creates focus.					
xvii.	The Bank's strategy has made it possible for bottom up and up bottom feedback mechanisms in the Bank					
xviii.	Strategy has enabled the Bank to negate its threats and amplify its strengths					
xxix.	The Bank's entry strategy into the market still has a contribution to its performance					
xl.	The Bank's strategy has been key in enhancing its performance.					

THANK YOU