STRATEGIC MANAGEMENT PRACTICES AT BARCLAYS BANK OF KENYA

BY

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DECLARATION

This research project is my original work and has not been presented for any academic award in any other institution.

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D61/70761/2008

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

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DEDICATION

To Almighty God, who has been my strength and divine inspiration in everything I do.

To my mother, Rukia Abudiku and my father Jamen Abudiku, who taught me at a tender age, the virtue of hard work and shaped me to who I am today. They saw my strengths and capabilities and made me understand that I can do anything that I purpose to achieve in life through determination.

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ABSTRACT

Successful organizations recognize the importance of strategy as a tool in management and realize that their survival is dependent on how well they adopt new strategies or enhance existing strategies in an attempt to respond to the changes brought by the environment. While the quality of strategy is important, we cannot omit the importance of effectively executing the strategy. The current study, sought to contribute to a greater understanding of the strategic management practices in organizations. In an attempt to achieve the objective of the study, a case study research design was conducted at Barclays Bank of Kenya. Data was collected through face to face interviews of 10 respondents. The data collected from the interviewed was analysed qualitatively using content analysis.

The research revealed that a continuous scanning of the environment will not only assist the organization understand the changes in business needs but also which strategies to employ. To successfully implement strategies both short and long term strategic plans need to be in place. Adequate and early planning and an all inclusive process will prevent resistance by employees in the organization. In order to improve the level of employees' confidence in strategy implementation process, their level of competency and empowerment would be observed. The research further revealed that critical skills required for implementing strategy were dependent on the complexity and nature of the strategy, leadership skills, relationship management skills and financial skills were inevitable in all cases of strategy implementation. The research concluded that there is no one universal approach to strategic management and therefore its practices keep evolving from time to time depending with the changes in the environment.

There were several limitations that I encountered while undertaking this study. For example it was a challenge scheduling the interview sessions with the managers as they were stationed in different offices in dispersed locations. There were also managers who had been in the organization during major strategy implementation phases who had since left and their experience could not be incorporated in the study.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategic management is both the process and philosophy for determining and controlling the organizational relationship in its dynamic environment. All enterprises are created for one purpose that is to achieve the long-term and short-term objectives of their stakeholders (Bradmore 1996). Studies have identified that strategic management practice as a process of setting and accomplishing goals through the use of human, research and development, technical, and financial resources within the context of the environment (Bourgeois 1996).

Strategic management is an important practice as it gives a strong influence towards firms' direction and success. Strategic management does give positive influence, especially in its profitability to the large firms (David, 1997). The application of strategic management in business for various sectors has long been adopted as a response to market demand, variations in clients' taste and changing of technology. The adoption of a clear strategic perspective in organizations is one of the factors that affect the performance of these organizations. Having a good strategy is also one of the important factors that enable the organizations/firms to survive and go further.

In order to continue thriving, Barclays bank of Kenya had to continuously scan its environment and develop a means of aligning its mission and vision to the environment. New approach to management was imperative as market dynamics have created challenges for many banks, with the emergence of the global economy, advances in technology, increased societal demands, increased competition and the need to provide more efficient banking services with fewer resources. The ability of the organization to compete on the market is increasingly seen as depending on the skills and knowledge of its managers and employees, regarded as intellectual capital, and put to good use while formulating, implementing and adjusting strategies.

1.1.1 Strategic Management

Strategic management has become an attractive management tool to reformers, and an organization without a strategy appears to be directionless and incompetent. Strategic management has to go beyond routine management tasks and consider in a systematic way a long- term organization mission and vision. Over the years strategic management has moulded and adapted itself to the changing challenges which businesses face. The interpretation of what is involved in strategic management should vary from firm to firm. This in turn has led to a number of divergent and different schools of thought about business strategy and how it is, and should be, determined. Formulating a strategy for the business is a core management function. Indeed, a good strategy and good implementation are the most trustworthy signs of a good management. The standards of judging whether an organization is well managed, therefore, are grounded in a good strategy making, combined with good strategy execution. The better convinced an organization's strategy and the more flawless its execution, the greater the chance that the organization will be a peak performer in its industry (Thompson and Strickland, 1992).

Strategic management includes the internal elements of organisation, such as style, structure and climate; it includes implementation and control, and consideration of the 'soft' elements of the environment. It is about the management of the total organisation, in order to create the future. The McKinsey 7-S Framework provides a useful visualization of the key components managers must consider in successfully institutionalizing strategy making sure it permeates the day to day life of the organization. It suggests managers focus on six components to ensure effective execution: strategy, structure, systems, shared values (culture), skills, style and staff.

Hrebiniak (2005) mentioned that many of today's top executives are far better at developing strategy than executing it and overcoming the political and organizational obstacles that stand their way. Variation in implementation programmes could be determined by the degree of the uncertainty in predicting the changes in the environment and the size of the strategic change required. Strategic management is a hands-on operation and action-oriented human behavioural activity that calls for executive leadership and key managerial skills. In addition, implementing a new crafted strategy often entails a change in corporate direction and frequently requires a focus on effecting strategic change (De Kluyver and Pearce, 2003). Given the changes in the environment brought about by globalization, technology and competition, organizations have to adjust their way of doing things by adopting new strategies while ensuring effective strategic implementation.

1.1.2 Kenya's banking industry

The current surge for strategic management in the banking sector in Kenya is related to a number of events that also triggered far reaching financial sector reforms. The most notable was the bank failure witnessed in late 80s and early 90s and the increased emphasis in the use of strategic management in the banking sector so as to cut back on the rate of bank failures. The banking system in Kenya is regulated by the Central Bank of Kenya (CBK) Act (Cap 491) and the Banking Act (Cap 488). These acts are intended primarily to facilitate the development and maintenance of a sound monetary policy (Ngesa, 1989).Currently there are 46 banks and non bank financial institutions, 15 micro finance and 48 foreign exchange bureaus. The banking act was enacted in 1989 and it replaced the banking act in 1969. Prior to this, banking in Kenya was regulated under banking ordinance .This was a colonial piece of legislation, which was inherited by the government at independence (http://www.cetralbank.go.ke).

The banks have come together under Kenya Bankers Association (KBA), which serves as a lobby for the banks interests and also addresses issues affecting the members. The industry is dominated by a few banks which are foreign owned and some are locally owned. Nine of the major banks are listed at the Nairobi Stock Exchange (NSE). The CBK falls under the docket of the Minister of Finance. It is responsible for formulating, implementing monetary policy and fostering the liquidity and proper functioning of the banking industry. Key issues affecting the banking industry include: changes in the regulatory framework, where liberalization exists; declining interest margins due to customers' pressure leading to mergers and re-organization; increased demand for non-traditional services and move towards emphasis on the customer rather than the product; introduction of non-tradition players who offer financial services products. (http://www.cetralbank.go.ke). The banking industry is poised for significant expansion, product and market development that should result in further consolidation of the banking sector.

1.1.3 Barclays Bank Of Kenya

Barclays Bank PLC is a major global financial services provider engaged in retail banking, credit cards, corporate, investment banking and wealth management with an extensive international presence in Europe, America, Africa and Asia with over 300 years of history and employs over 147,000 people. Barclays moves, lends, invests and protects money for over 48 million customers and clients worldwide (Barclays PLC Investor Seminar 2011, June 15). Barclays Africa is the leading bank in Africa with business in ten countries in Africa namely; Botswana, Egypt, Ghana, Kenya, Nigeria, South Africa, Tanzania, Uganda, Zambia and Zimbabwe. Strategies that are being practiced across its African subsidiaries are drawn from the Barclays Bank PLC, with its headquarters in London

Barclays has operated in Kenya for over 90 years. Financial strength coupled with extensive local and international resources have positioned Barclays Bank of Kenya as a foremost provider of financial services. With an extensive network of 117 outlets with over 230 ATMs spread across the country, the bank's financial performance over the years has built confidence among the bank's shareholders, with a reputation as one of the leading blue chip companies on Nairobi Stock Exchange (www.Investorrelations.Barclays.co.ke). Over the years, Barclays Bank of Kenya has contributed to the development of the banking industry, financial services sector, as well as the economy overall. Barclays Bank of Kenya has continued to maintain its market leadership position in a sector that has become increasingly competitive over the years. Over the years, Barclays Bank of Kenya has contributed to the development of the banking industry, financial services sector, as well as the economy overall.

1.2 Problem Statement

The development of the field of strategic management within the last two decades has been dramatic (Hoskisson, Hitt, Wan and Yiu 1999) and it grows larger every day. Because of the nature of the strategy it does not contain universal truths that can be documented through scientific theorems and proofs (Chinowsky and Byrd 2001). According to Anand and Singh (1997) a significant amount of the empirical studies in strategy were concerned about the scope of the firm and its performance implications. However, strategic management generally addresses the question of why some organizations succeed or fail, and it covers the causes for company's success or failure (Porter 1991).

Despite the importance of strategic management in an organization, most of the research that have been carried out mainly focus on either strategic planning or implementation. Several studies on strategy implementation that have been done in the past include; Ochanda, (2005), Wambugu (2006), Aosa (1992), Tai (2007), and Amati (2008). While each of these studies had focused only strategy implementation, none had focused on the holistic approach to strategic management process from strategy formulation, strategy implementation to strategy evaluation, which therefore raised the need for further research in strategic management practices. Studies that have been done in the past on strategic management practices include; Aosa (1994), Karemu, (1993), Kangano (1998) and Kiliko (2001). While each of these studies had focused on strategic management practices in different industries, they concluded that each organization has its own unique strategic management practices.

Since strategic management practices are unique and a accustomed to an organization, therefore implying that is no one universal approach to strategic management. This therefore raised the need for further research in strategic management practices. What are the strategic management practices at Barclays Bank of Kenya?

1.3 Research Objectives

The objective of the research will be to establish strategic management practices at Barclays Bank of Kenya.

1.4 Value of the Study

This study will be of importance to Barclays Bank of Kenya and the banking sector as it will be able to highlight strategic management practices at Barclays Bank of Kenya and therefore be able to come up with viable policies and practices to strengthen strategic management aspects in the sector so as to promote efficiency and competitiveness. The study will also be significant to the banking sector regulatory authorities as the information generated by this study will give more insight into management issues in the banking sector as it will give more information to various strategic management practices in this sector.

Academicians will benefit from the information of the study as it will contribute to existing body of knowledge . This study will also open more areas, of future studies in the banking sector for scholars. The study will further provide the background information to research organizations and scholars who will want to carry out further research in this area. The study will also facilitate individual researchers to identify gaps in the current research and carry out research in those areas.

CHAPTER TWO: LITRATURE REVIEW

2.1 Introduction

This chapter reviews literature, which is related to and consistent with the objectives of the study. Important theoretical and practical problems are brought out; relevant literature on the aspects pertaining to strategic management practices is discussed.

2.2 Concept of strategy

Chandler (1962) defines strategy as the determination of the basic long-term goals and the objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals. This was amended and amplified by Andrews (1971) who stated that corporate strategy is the pattern of major objectives, purposes or goals and essential policies or plans for achieving those goals, stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be. Strategy is the direction and scope of an organization over the long term which archive advantage for the organization through its configuration of resources within a changing environment and to fulfil stakeholders' expectations (Johnsons and Scholes, 2002). Strategy is also the link between an organization and its external environment and must be consistent with an organizations goals and values, with its external environment, with its resources and capabilities, with its organizational structures and systems (Ansoff, 1990).

A well-formulated strategy helps to marshal and allocate an organization's resources into a unique and viable posture based on its relative internal competencies and shortcomings, anticipated changes in the environment and contingent moves by intelligent opponent (Mintzberg and Quinn, 1996).

2.3 Strategic Management

Schendel and Hofer's (1979), define strategic management as a process that deals with the entrepreneurial work of the organization, with organizational renewal and growth, and more particularly, with developing and utilizing strategy, which is to guide the organization's operations. It is worth noting that the study of strategic management is simply not an easy task and has evolved of decades. Hussy (1998) mentions that a historical perspective in strategic management explains some of the conflicting views of strategic management and shows how the subject has developed as organizations tried to find better ways of developing strategies for the future and, how environmental changes led to new concepts of strategy making being sought.

Prior to the 1920s, most business decisions were relatively short term in focus and less entrepreneurial (Bourgeois 1996). With the beginning of the modern companies in the 1920s, companies tended to focus on long term plans and financial planning played a major role among senior managers. "The methods typically involved translating sales forecast into production schedules, estimating the costs associated with the planned volume, and deriving the profit forecasts" (Bourgeois 1996) and this approach was based on the assumptions that the environment was stable and that sales projections could be made.

In the late 1960s companies in the United States underwent many changes such as massive multinational mergers and acquisitions to avoid antitrust laws, which discouraged high market shares in any particular industry (Hubbard 2000). As a result the Boston Consultant Group developed a 2×2 market growth/relative market share matrix and developed the concept of the experience curve (Hubbard 2000). In late 1960s and early 1970s companies had to cope with higher inflation due to high oil prices and they had to introduce cost control methods. During this period the major purpose of the companies was survival rather long term planning. Therefore, in late 1960's long term planning was replaced by corporate planning. Corporate planning addressed the company's long term and short-term goals, scope and growth directions.

Porter (1980) model of competitive analysis and his set of generic strategies and the concept of value chain dominated the area of strategic management. Porter (1980) introduced the model of five competitive forces in a company's environment that influence competition such as threat of new entrants, bargaining power of firm's suppliers and customers, threats of substitute's products and intensity of rivalry among competing firms. Porter (1980) further claims that these forces may explain why firms adopt a particular strategy. Porter (1985) in his book titled "Competitive Advantage" asserts two basic types of competitive advantage a company can have namely low cost or differentiation and proposes three kinds of generic strategies that can be adopted to gain competitive advantage such as cost leadership, differentiation, and focus. Porter (1985) further argues that companies which fail to adopt one of these strategies are "stuck in the middle".

In the early 1990's the field of strategic management was attracted to the Prahalad and Hamel's (1990) concept of building core competencies to achieve sustainable competitive advantage. Prahalad and Hamel (1990) define the core competences as the collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technologies. Prahalad and Hamel (1990) further highlighted the importance of having core competencies as well as the external environmental factors and the positioning of the company in a market.

2.4 Strategic Management Practices

Numerous studies have been developed to explore the concept of strategic management in organizations. Researchers have built their own framework to answer the fundamental question in strategic management which is how to create and sustain competitive advantage by adopting two mainstream paradigms in strategic management, i.e. the external and internal paradigms. There are several strategic management practices that companies adopt to achieve competitive advantage. Robbins and Coulter (2002) have mentioned that strategic management is the process that encompasses strategic planning, implementation and evaluation. Viewed from a task perspective, Thompson and Strickland (1989) outlined five tasks in the strategic management process: developing a strategic vision and mission; setting objectives, crafting a strategy; implementing the strategy and evaluating performance; initiating corrective adjustments. Johnson and Scholes (1999) developed a model for strategic management which consists of strategic analysis, planning, choice and strategy implementation.

According to Johnson and Scholes (1999) strategic analysis is concerned about the strategic position of the company in terms of its external and internal environments and stakeholder expectations. External environmental scanning is to identify and evaluate trends and events beyond the control of the organization (Fred 1997). Analysis of external environment includes the company's operating political, economic, social, technological, legal environments and the main purpose of that is to find out the opportunities and threats that exist in the operating environment. Forces in the external environment are so dynamic and interactive that the impact of any single element cannot be wholly disassociated from the impact of other elements.

Hitt and Hoskisson (2005) divide the external environment into three major categories namely the general, industry, and competitor environments. The general environment has a number of dimensions such as political/legal, technological, socio cultural, global, demographic which represent the broader society that can influence an industry and the firms within it. The general environment consists of the factors that can affect the company dramatically and normally, the company has less ability to predict them and to control them (Dess, Lumpkin and Eisner 2006). Most of the studies use PEST analysis to analyze the general environment which represents political, economical, socio cultural and technological factors that can affect the firms businesses. The industry environment is the set of factors that directly influence the organization and its competitive actions such as the threat of new entrants, the power of suppliers, the threat of product substitutes, and the rivalry among the competitors. An industry is a group of firms producing products that are close substitutes (Hitt and Hoskisson 2005) and compared to general environment industry environment has a more direct effect on company's competitiveness. Company's competitiveness depends on the nature of the industry that the company is doing their businesses. Porter (2004) sees the competition as the core to firm's success or failure and highlights the importance of having a competitive strategy to successfully position against the forces that determine industry competition. According to Porter (1980) industry structure has a strong influence in determining the competitive rules of the game as well as the strategies potentially available to the firm. Thus, the analysis of industry environment is important to every company.

In addition, competitor analysis is the other part of the external environment analysis of an organization. Competitor analysis is about the collecting and interpreting information about the company's competitors. Increased rivalry between companies leads them to pay more attention to competitor analysis. Furthermore, Hitt and Hoskisson (2005) highlights the importance of companies having competitor intelligence which "is the set of data and information the firm gathers to better understand and better anticipate competitors objectives, strategies, assumptions, and capabilities" for an effective competitor analysis. Hitt and Hoskisson (2005) assert that the analysis of general environment focuses on the future, and the analysis of the industry environment focuses on the factors and conditions that influence the company's profitability within its industry while analysis on competitor environment focuses on predicting the dynamics of competitor's actions, responses and intentions.

Similarly, internal environmental analysis is concerned with the company's resources and competences which can identify its strengths and weaknesses. There are various internal environmental factors that can affect the strategic management practices of companies and these factors include the organizational structure, company ownership, company size, organizational culture, management style, stakeholder expectation, and the company resources, capabilities, competencies and core competencies. Identifying and developing organizational mission, vision and values is central to the long- term organizational success. Clear mission statement leads to the easier creation of organizational goals and objectives.

Chandler (1962) stated that any effective successful strategy is dependent on structure, thus to achieve any effective economic performance the organization needs to alter its structure. An organization's structure can constrain or enhance your ability as a team to gain resources. Johnson and Scholes (1999) view corporate strategy from cultural perspective, they described it as a strategy based on the experiences, assumptions and beliefs of management overtime and which may eventually permeate the whole organization. Culture is the common set of behaviours, values, beliefs, patterns of thinking and assumptions shared by members of an organization. Culture shapes our view of the world and determines how we think and behave towards others, the world, and ourselves. Culture generally tends to consist of layers of values, beliefs and taken for-granted actions and ways of doing business within and outside the company. Therefore, the concept of cultural web is the representation of these actions taken for granted for understanding how they connect and influence the strategy (Johnson and Scholes, 2003). Culture can be analysed through the observations of how the company behaves, including routines, rituals, stories, structures and systems.

According to Johnson and Scholes (2003), superior performance, has to be determined by the way in which company's resources are deployed to create competence in the organisational activities. Core competencies are activities or processes that critically underpin the company's competitive advantage. The primary target for the company is to recognize that competition between businesses is as much a race for competence as it is for market position and market power. Therefore, the goal for management is to focus the attention on competencies that really affect competitive advantage. The competence leads to levels of performance from an activity or process that is significantly better than competitors. Benchmarking may help in understanding performance standards and what constitutes good or bad performance (De Toni, and Tonchia, 2003).

The next step is strategic choice which includes identifying the bases of strategic choice, generating strategic options and evaluating and selecting of strategic options.

Johnson and Scholes (1999) highlight that identifying the bases of strategic choices means identifying the company's strategic mission and intent which provides the overall ambition of the company and also how the company seeks to compete at the strategic business unit level. Generation of strategic options seeks to find out what strategic development direction best matches the company's main objectives. Evaluating and selecting of strategic options includes an assessment of the suitability of the strategy and that may be an evaluation of the fit between company's resource capability and operating environment or the development of company's resource capability to create more opportunities for the company (Johnson and Scholes 1999).

A strategic management model is selected for the purpose of formulating and implementing the strategic management plan of a particular organization. Nevertheless, it has been proved that no strategic planning model is perfect. Every company designs its own strategic planning model frequently by choosing a model and transforming it as the company advances into formulating its strategic management plan procedures. The steps involved in this strategic planning model were the following: Mission, Objectives, Situation Analysis, Formulation of Strategies, Application and Control. According to Bonn and Christodoulou (1999) the substantial changes in company's strategic planning systems include increased flexibility of planning systems, decentralized strategic planning to divisions or business units, moving the planning responsibility from staff personnel to line managers, and changing the role of corporate planning departments. According to Grant (2003) companies adopted multiple scenarios planning for their strategic planning practices to respond to the rapid changes in the environments quickly and to also establish vision and mission statements which have a strategic intent. Thus, current strategic planning practices in organizations are better equipped than the strategic planning practices in 1960s. O'Regan and Ghobadian (2007) claim strategic planning must include written plans, which cover more than year of activity, have awareness of alternative strategic options, encompass shorter plans for major functional areas, identify future resource requirements, encompass procedures for ongoing monitoring and modification, and include environmental scanning data. Glaister and Falshaw (1999) identify the importance of the link between long range strategic goals with both mid range and operational plans for an effective strategic planning system. Steiner (1979) assert that there is no single planning model for organizations and the formal strategic planning systems must be designed to fit the unique characteristics of each company.

The concept of strategy making process being purely deliberate or purely emergent lay in the two ends of a horizontal axis and where one end means no learning and other end means no control (Mintzberg 1998). The scholars who think strategy formulation as a strategic thinking process usually believe that strategy formulation is based on an emergent strategy. Minztberg (1994) asserts strategic thinking is about synthesis that involves intuition and creativity that the outcome is an integrated perspective of the organization, a not too precisely articulated vision of direction. Senders (1998) highlight the importance of strategic thinking over the strategic planning by claiming: The business world is not mechanistic, and so mechanistic approaches to strategic planning will not succeed, Organizations are regularly impacted by unexpected sudden change, often driven by events outside the company's normal sphere of interest, Organizations are part of much larger systems, and need to be aware of both the existence of this system and its interactions with it.

Once all plans are in place the next step is strategy implementation which involves the process of translating strategy into organizational action through organizational structure and design, resource planning and the management of strategic change (Johnson and Scholes 1999). There is growing recognition that the most important problems in the field of strategic management are not related to strategy formulation, but rather to strategy implementation and that the high failure rate of organizational initiatives in a dynamic business environment is primarily due to poor implementation of new strategies (Flood 2000). The major questions needed to be addressed by the company under the strategy implementation are the questions such as what should the company structure and design be, what are the key tasks that need to be carried out, and what sort of systems are needed to monitor progress etc. Strategy implementation has become a key focus for firms and continues to attract attention as it plays a key role in success of firms today worldwide. Johnsons and Scholes (2002) asserted that in knowledge based economies people were truly the most valuable asset which human resources policies need to reflect. Strategy implementation is one of the components of strategic management and it refers to a set of decisions and actions that result in the formulation and implementation of long term plans designed to achieve organizational objectives (Pearce and Robinson, 1997). Johnson and Scholes (2004) notes that strategy implementation is the translation of strategy into actions. It entails institutionalization and operationalization of strategies and managing the ensuing change. Lastly the evaluation process addresses the aspect of amending the developed strategies so as to achieve competitive advantage. This is fed back to the original plan and reiterated until most of the organization is in concert with the plans.

CHAPTER THREE: RESEARCH METHODOLGY

3.1 Introduction

This chapter explains the methodology that was used in the entire study. It focuses on the research design, target population, sampling design and procedure, data collection and data analysis.

3.2 Research Design

This research was conducted through a case study. A case study is an in-depth investigation of an individual, institution or phenomenon (Mugenda and Mugenda, 2003). The primary purpose of the study was to determine strategic management practices at Barclays Bank of Kenya.

A case study design was deemed as the best design to fulfil the objectives of the study. It enabled the researcher to have an in-depth understanding of the strategic management practices.

3.3 Data Collection

Data collection is the planning for and obtaining useful information on key quality characteristics produced by your process. Data collection enables one to formulate and test working assumptions about a process and develop information that will lead to the improvement of the key quality characteristics of the product or service.

The data was collected by interviewing senior managers within the functions of the bank who are responsible for implementation. The managers are based in the following functions: Consumer Credit Team, Operations, Corporate Banking, Human Resources and Consumer Banking. A total of 10 interviewees were interviewed. The interview guide consisted of open ended questions covering issues on strategic management practices. This facilitated a more in-depth interaction with the respondents of the study.

3.4 Data Analysis

According to Zikmund (2003), data analysis is the application of reasoning to understand and interpret the data that has been collected. Data analysis in qualitative research can be compared to a metamorphosis where the researcher retreats with the data, applies associated analytical techniques and finally emerges with the findings (Merriam, 1998). Qualitative analysis is a research for general statements about relationships and underlying themes (Strauss and Corbin, 1997). In this research qualitative analysis was done using content analysis on the data that was collected.

According to Mugenda and Mugenda (2003) content analysis is the systematic qualitative description of the composition of the objects or materials of the study. It involves observation and detailed description of objects, items or things that comprise the study. The variables or themes that were used were classified broadly into strategic management and factors affecting strategic management.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis, results and findings of the research following interviews with senior managers at Barclays Bank. The data analysis was designed with the intention of answering the research question of this study. The analysis of qualitative discussion outcomes was associated with the questions as per the interview guide (Appendix II). The chapter includes highlights on general information, internal environment, external environment and strategy implementation, other findings and discussions of findings.

4.2 General Information

The respondents were senior managers from the various business functions and have played major role in the formulation and implementation of strategies in the organization. They therefore had in depth knowledge and vast experience within the organization strategic management practices. The respondents had also previously handled strategy implementation within the organization and as such they were appropriate candidates for the interviews.

The respondents were to the opinion that both the internal and external operating environment would largely inform the different strategic management practices in the organization. Aspects of the operating environment that mostly informed the different strategic management practices were organizational structure, change in the company vision and mission, competition, customer demand for quality, technological change, the organization culture and the key value drivers of the organization.

4.3 Strategic Management Practices at Barclays Bank of Kenya

All respondents had played critical roles in the formulation and implementation the banks strategies. The roles played by each of the respondents involved strategy formulation, the actual implementation included monitoring and evaluating the implementation, providing appropriate leadership, planning for the implementation, communicating the strategy at every stage of implementation, networking, obtaining stakeholder by-in, training and development, performing market research and risk management. The response from the respondents clearly showed that change of vision and mission of the company, the culture in the organization, key value drivers, regulatory requirements, technological changes and changes in the organization structure determine the strategic management practices at Barclays bank of Kenya.

4.3.1 Internal Environment

In regards to the internal environment a discussion with the respondents revealed that there were a wide range of critical factors that affected the organization. The critical factors mentioned included changes in the organizational structure, management style, the organizations culture, internal processes and procedures, company resource capabilities, core competencies and the key value drivers. According to the respondents, the internal environmental factors have had an effect to the strategic management practices at Barclays Bank of Kenya. There is a respondent who stated that the organization is flexible and quick to adopt to make it more competitive by aligning their internal process and procedures to meet customer expectations. This has enabled the organization to fulfil customer needs hence making it competitive.

The respondents were of the opinion that the internal environmental factors have changed substantially over the last five years. One of the respondents stated that the integration of ABSA into Barclays Africa family has seen changes in the organization structures. This was necessitated by creating a lean mean structure so as to speed up decision making process and avoid duplication of roles across Africa so as to enable the bank achieve its mission of LIMME across Africa. The organization structures was divided into two categories namely structures which have single strategic business units (SSBU), and structures which have multiple strategic business units (MSBU), depending with the size of the business unit. Therefore it has had an effect in the strategic management practices at Barclays Bank of Kenya. The integration also meant that Barclays Bank of Kenya mission statement had to change to “LiMME” dubbed as Lifes Made Much Easier and its vision “To Be The Go To Bank”. This was largely driven by the need to change the internal operating environment and the culture around its customers. This change had to conform across all Barclays African countries. It was generally felt that the organization continuously assessed its operating environment in order to determine it’s positioning and areas that needed strategic change in an effort to remain relevant to its customers, maximize returns for shareholders while remaining profitable in the long run. The common reasons for the structural changes were to improve efficiency, change of the group level CEO, to expand the business, and the rapid growth of the bank.

Other respondents noted that the banks culture has evolved over the last five years. Loyalty, team spirit and commitment were the major characteristics reported as some of the culture that the staffs at Barclays bank of Kenya portray. Key value drivers were introduced famously known as guiding principles. These principles are the ones used to guide employees. The guiding principles introduced include; Pioneering, Winning together, trusted, best people and customer focus. Cost cutting measures introduced by the bank were also another internal factor that was cited by the respondents. These changes were aimed to fulfil customer needs by improve the service quality and increase Barclays banks competitiveness. The responded were of the opinion that generally the workforce acquired skills through a wide range of options. These options included on the job training, classroom training, self learning, online training, coaching, mentoring, attachments, hiring of highly skilled and talented workforce were critical in giving the organization a niche over its competitors. This strategic choice is key to ensuring that all strategies are formulated and implemented without a hitch.

4.3.2 External Environment

There were several external environmental factors that were cited to affect the organization strategic management practices at Barclays bank of Kenya. One of the critical factors that were mentioned by the respondents was changes in legislation and regulatory requirements which has greatly affected the strategic management practices in the bank. The most recent legislations that have been enacted are the land laws which affect the way the Barclays will issue out mortgage and land secured loans. This forced the organization to restructure its internal processed so as to accommodate the changes in legislation. Another regulatory requirement that forced Barclays to comply was when the Central bank of Kenya increased and reduced its base lending rate. These forced the organization to either increase or reduce the interest that it lends out to the customers hence making the product either competitive or uncompetitive. The enactment of the anti-terrorism bill will force the organization to query any suspicious funds that they suspect is being laundered into the country. Under the same regulation banks are to send customer information on customers who exchange foreign currency worth more than $10,000. This has resulted to the organization setting up monitoring systems so that it can comply with the new legislation.

Other respondent stated that technological changes have occurred in the last five years. The bank invested a lot of money and resources in these changes so as to meet the growing number of customer base and also are able to introduce new products that the previous systems were unable to achieve. This involved changing the core banking system, loan origination system, debt collection system and the credit card management system. The technological changes had a great impact in the organizational culture, organization structures, internal process and procedures had to change in order for the business to align itself competitively and fulfil customer needs.

The other critical factor that was highlighted by the respondents is the competition from other banks. In the recent times several competitor banks and telecommunication companies have introduced products that have really affected the strategic management practices at Barclays bank of Kenya. Examples provided were the introduction agency banking, mobile and internet banking and other low cost products have really increased competition in the banking industry. Such innovations by other banks have affected the strategic management practices. Introduction of money transfer services e.g. MPESA, ZAP, YU cash and orange money by the telecommunication companies have also changed the way the organization operates. The money transfer systems have really taken a huge share of the market of the money transfer business. This has forced the organization to form partnerships with the mobile money transfer service provider in order to remain competitive. It was noted that the external environmental factors have changed over the last five years. The notable changes that have occurred include; entrance of new competitors in the market e.g. HSBC, increased monitoring by the regulators and changes in the regulatory regime cause by high inflation, increased fraud etc, and cost cutting measures that resulted to the sale of the custody business to Standard Chartered bank.

Another respondent cited the fact that there have been increased fraudulent activities which has necessitated the bank to invest in fraud guard systems and be more vigilant in monitoring of transactions. In the recent past Barclays has installed a fraud guard system in all its ATM's so as to avoid fraudsters from copying customer data from their cards. Globalization was noted as another critical external factor that affects strategic management practices at Barclays bank. The world has become smaller due to the internet and adoption of global standard practices. An example of a global standard is the Basel 3, which dictates on how the banks operations are to be done.

4.3.3 Strategy Formulation, Implementation and Evaluation

In the formulation of strategies respondent indicated that Barclays bank Kenya had a formalized strategic planning systems and are reviewed quarterly and they last for five years. There are some challenges in which the planning systems face. For example one of the respondents stated that due to the ever changing external and internal environmental factors have resulted in monitoring the strategies. Whenever there are any changes, it takes long to for the management to give new strategic direction. The respondents were optimistic that the planning systems will change in order to deal with the arising issues. One of the respondents cited that due to the ever changing environmental factors e.g. competition, technological changes etc the management would be forced to deal with the issues on the planning systems so as to remain competitive. Over the last five years there have been strategic decisions that have been made which have changed the way Barclays bank of Kenya conducts its business. One of the responses received is the change of the bank core systems which completely aimed at having a new banking platform that will catapult the bank to the next level in terms quality service delivery and change how it conducts its business. These technological changes have enabled the organization to introduce competitive products and shorten the turnaround time in service delivery, hence enabling the organization to have a competitive advantage over its rivals. Another key strategic decision that has been undertaken is the focus on people career development and training. This strategic decision is aimed at increasing the competency levels of the work force so as to meet the ever changing business demands. The other response that came out clearly is the changes in our vision and mission that has resulted to realignment of functions within the organization so as to meet the changing business needs. This has resulted to changes in the company structure and reporting lines. For example in the Collections and Recoveries team that was under the Retail Credit function was moved to Operations and changed the reporting lines to the Chief operating officer. This move was necessitated by the fact that the activities done by the team was more of operations rather than risk and customer needs will be adequately fulfilled. Lastly the other key strategic decision made is the introduction of a state of the art 24 hours call centre. This move was aimed at serving our customers faster and better. It’s a one stop shop where all customer queries can be actioned at any time. This was in line with the banks mission statement of Life Made Much Easier.

Since Barclays bank of Kenya is a dynamic organization in its operations, all the respondent predicted that there will be major changes in the way it approaches strategic management over the next five years. The major change that was predicted was that strategy formulation will be more involving and inclusive. The major strategic changes that the respondents felt will occur in five years include; automation of most of the manual processes, growth on market share, outsourcing of some tasks to cut on costs, reorganizing the company structure to create a lean mean structure and introduction of new competitive product. Majority of the respondents cited that strategic management is all inclusive. Each and every staff is involved from the formulation to the implementation stage. In terms of how the workforce responded to strategy formulation and implementation, the respondents were to the opinion that the impact of the strategy being implemented to the employee would determine their reaction. The workforce would develop varied levels of resistance and acceptance, fear of the unknown, varied levels of motivation and varied levels of uncertainty. The respondents mentioned that employees generally wanted to know what is in it for them in the process. One respondent mentioned that the environment in which implementation is done affected the workforce's motivation level while their level of competency and empowerment affected their level of confidence and therefore determining their fear of the unknown. Another respondent noted that employees may reject or accept depending with the level of engagement.

One of the respondents pointed out that every manager involved in strategy implementation would be involved in tracking the performance of the strategy through action plans at every stage of the implementation, in order to determine the strategy's impact and sustainability. Another responded noted that while planning, it was important to turn the strategy into a series of actions in the form of action plans and then assign the actions to skilled persons to execute and in the process track the performance of each action against plan in order to determine review areas.

A discussion of specific strategy initiatives with the respondents revealed that there were a wide range of critical factors to consider in implementing strategy. They were to the opinion that the process of strategy implementation was difficult, complex, involving and dynamic. The critical factors mentioned included having an estimate budget , planning, stakeholder by-in, effective communication, flexibility to conform to broad global structure, market research, hiring the right skills ,competency and empowerment of the workforce, monitoring and evaluation of performance, networking, top management ownership, marketing particularly cross marketing, change management, vendor management, job descriptions and setting up focus groups or project teams.

According to the respondents, the organization involved a wide range of resources in strategy implementation and practically everyone in the organization including the customers were involved in some way. Those involved included top management, the general workforce, the executives, vendors or consultants and the customers. The respondents however noted that executives were not actively involved in strategy implementation as much as they were involved in strategy formulation.

In terms of how the workforce responded to strategy implementation, the respondents were to the opinion that the impact of the strategy implemented to the employee would determine their reaction. The workforce would develop varied levels of resistance and acceptance, fear of the unknown, varied levels of motivation and varied levels of uncertainty. The respondents mentioned that employees generally wanted to know what is in it for them in the process. One respondent mentioned that the environment in which implementation is done affected the workforce's motivation level while their level of competency and empowerment affected their level of confidence and therefore determining their fear of the unknown.

There were a wide range of critical factors to consider for successful strategy implementation as mentioned by the respondents. They were to the opinion that the timing aspect enabled meeting the requirements of the strategy and managing the budget allocations. They mentioned that the quality of the human capacity will determine the success of the implementation. These would include their level of skills and experiences, if they were engaged right from the start, if effective communication was done at every stage of the implementation and if the environment was conducive for implementation. They pointed out it was important to perform a step by step planning with clear outlines and processes and undertake an effective market research in an attempt to understand key requirements and estimates for the implementation.

Stake holder by-in was mentioned as important in ensuring that commitments were obtained by all parties with vested interests to the strategy. They further pointed out that reviewing the progress and milestone at every stage of the implementation would help determine the extent of achievement, any changes or resources requirements and any risks and controls that would affect the implementation process .Respondents also were of the opinion that top leadership ownership was required to give direction on what is intended to be achieved.

4.4 Discussion of Results

4.4.1 Comparison with Theory

Robbins and Coulter (2002) have mentioned that strategic management is the process that encompasses strategic planning, implementation and evaluation. The findings showed that at Barclays bank of Kenya followed through this process while implementing strategies. The continuous evolution of the organizations activities, the study clearly showed that the organization scans its external environment so as to evaluate the trends and events beyond it. The research results also supported the literature by Fred (1997) who stated that external environmental scanning is to identify and evaluate trends and events beyond the control of the organization. According to Porter (2004) sees the competition as the core to firm's success or failure and highlights the importance of having a competitive strategy to successfully position against the forces that determine industry competition. Furthermore, Hitt and Hoskisson (2005) assert that the analysis of general environment focuses on the future, and the analysis of the industry environment focuses on the factors and conditions that influence the company's profitability within its industry while analysis on competitor environment focuses on predicting the dynamics of competitor's actions, responses and intentions. These literatures were consistent with the findings of this study.

The findings from the study pointed that the Barclays bank of Kenya has continuously altered its organization structures to fit into the ever changing business needs. This findings was consistent with the literature from Chandler (1962) who stated that any effective successful strategy is dependent on structure, thus to achieve any effective economic performance the organization needs to alter its structure. From the findings of the study, culture came out as a core factor that has influenced the success of the organization. This is also supported by the Johnson and Scholes (1999) who viewed corporate strategy from cultural perspective, they described it as a strategy based on the experiences, assumptions and beliefs of management overtime and which may eventually permeate the whole organization.

Thompson and Stickland (2003) mentioned that strategy implementation was a dynamic process within the strategic management process. The finding that a wide range of critical factors were considered in implementation of strategy supported this literature. The process of strategy implementation was found to be difficult, complex, involving, dynamic and dependent on the nature and size of implementation. This result was consistent with the research by Jooste and Fourie (2009), who concluded that strategy implementation was perceived as an important but difficult component of the strategic management process, and the failure of change initiatives is largely due to poor implementation of strategy.

The research found that while planning for implementation, it was important to turn the strategy into a series of actions in the form of action plans and then assign the actions to skilled persons to execute and in the process track the performance of each action against the plan in order to determine review areas. In addition, every manager implementing strategy would at least be involved in tracking the performance of the strategy at every stage of the implementation to determine its impact and its sustainability. This was consistent with the literature by Johnson and Scholes (2004) that strategy implementation is the translation of strategy into action plans.

The research revealed that the organization involved a wide range of resources in strategy implementation and everyone in the organization including the customers were involved in some way. This outcome supported the argument by Thompson and

Strickland (1980) that every operational manager down to first line supervisors and every employee will be involved in some way in implementing corporate, business and functional strategies. The research unfolded that a variety of channels were used to create awareness of the strategy depending on its technicality and those it will impact on. The mostly used channels were e-mail cascades, meetings and screen savers. Other channels mentioned included training programmes, workshops, circulars, booklets, newsletters, and feedback sessions. In their research, Jooste and Fourie (2009) concluded that a poor understanding of the strategy among the workforce and ineffective communication of the strategy to the workforce were the most important barriers to effective strategy implementation. As such, the research revealed that the organization was keen in ensuring awareness of strategy to the entire workforce, including its customers, through effective communication.

The researcher found that the impact of the strategy implemented to the employees would determine their reaction. Employees would generally want to know what is in it for them. In addition, the environment in which implementation is done would affect their motivation level. Their level of competency and empowerment would affect their level of confidence which would determine their fear of the unknown. These findings supported the statement by Dransfield, (2001) that the happiest, most productive employees are those who feel empowered to work and that good leaders need to coach and motivate and then leave people to get on with it in terms of the grass roots of implementation of strategy.

As the results indicated, successful strategy implementation was dependent on a wide range of factors, however the time aspect was the most important .This finding supported the literature by Thompson and Strickland (2003) that the strategy-implementing task is easily the most complicated and time-consuming part of strategic management. The finding of effects on job roles while implementing strategy was that their review was necessary to align the job roles and change the company structure to suit the implemented strategy. In some instances, job roles were merged while others gained added responsibilities, departments are merged and some functions done away with. These findings supported the argument by Wheelen and Hunger (1995) that implementing strategy involved re-designing the way jobs are done and that after a new strategy has been formulated, different types of people may be needed or current employees may be retrained to implement it.

4.4.2 Comparison with Other Studies

The study clearly showed that there is continuous evolution of the organizations activities; where it scans its external environment so as to evaluate the trends and events beyond it. This was supported by the research of Garner and Edward (2008) where they argued that the concept of strategic management emerged in response to this increased turbulence. Strategic management involves continuously scanning and adapting to the environment rather than just scanning the environment at the annual planning review. Strategic management is a continuous process that involves the efforts of strategic managers to successfully fit their organization to their environment by developing competitive advantages. These competitive advantages allow the firm to capitalize on its opportunities and minimize its environmental threats.

It also emerged that the success was largely dependent on the quality of people involved by virtue of their skills and experience within the organization and their level of engagement in every stage of implementation. These findings supported Galbraith and Kazanjian (1988) and Govindarajan (1989) statement that effectiveness in strategy implementation is at least in part affected by the quality of people involved in the process where quality refers to skills, attitudes, capabilities, experiences and other characteristics of people required by a specific task or position. From the study it was noted that strategy implementation was perceived as an important but difficult component of the strategic management process, and the failure of change initiatives is largely due to poor implementation of strategy. The research results also supported the study by Atkinson (2006); Kaplan and Norton (2001) that implementation is just as critical, if not more so, than the development of effective strategies in the dynamic hyper competitive environment of today. The respondents also indicated that the integration of Barclays operation in Africa meant that the mission statement had to change to “LiMME” dubbed as Lifes Made Much Easier and its vision “To Be The Go To Bank”. In their journal Sustainable strategic management, Garner and Edward (2008) supported this argument by stating that Strategic management begins with a vision of what the firm is and what it will become. Based on the core values of the firm, this strategic vision is essentially an image that guides the firm’s decision-making processes at all levels. The strategic management process involves developing a firm’s mission, deciding on the goals it wants to pursue, implementing strategies to accomplish its goals, considering what internal and external information is important, and determining how to measure success around its strategic vision.

The results of the study pointed out that the operating environment such as competition, customer demand for quality, technological change, need for conformity with overall corporate structure, the organization culture and the micro economy were significant influencers of strategic change. These results were consistent with the research outcome by Osano (2009) noted that financial services management have to contend with continuously changing conditions due to pressures from the markets themselves, the competitive situation and the rapid evolution of Information Communications Technology (ICT). The findings from the study pointed that the Barclays bank of Kenya has continuously altered its organization structures to fit into the ever changing business needs. This findings was consistent with the study done (www.strategicmanagement.net), an important aspect of strategic management involves selecting and developing the governance structures and functions of global firms and their component organizations, including organizational architecture, management systems, managing resources and capabilities, networking of subsidiary organizations, and managing operational strategies and information sharing in organizations engaged in substantial operations across national borders or located in multiple national environments. As the results indicated, successful strategy implementation was dependent on a wide range of factors, however the time aspect was the most important Chinowsky and Byrd (2001) where he concluded that Because of the nature of the strategy it does not contain universal truths that can be documented through scientific theorems and proofs.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary, conclusion and details of recommendations for the research in line with research objective and the research question. The section concludes by giving limitations of the study and suggestions for further research.

5.2 Summary of Findings

The research found that the organization needs to continuously assess both its internal and external environment and change based on the business needs. There have been several changes in the organizations internal environment e.g. change in culture which are the key value drivers, and consolidation of departments which result to changes in the organizational structures. All these changes are aimed at addressing the ever changing business needs and enable the organization improve the customer experience. The researcher also found out the external environment also had a great effect on the strategic management practices at the organization. The changes in regulatory requirements, changes in technology and competition are some of the key critical factors that have forced Barclays bank of Kenya change its strategic management practices from time to time. This is all aimed at gaining competitor advantage.

The researcher also found that the level of competency and empowerment of the employees affected their level of confidence in the implementation process and therefore determined their fear of the unknown. The research revealed that successful strategy implementation was largely determined by the quality of people involved in the process depending on their skills and experience and if they were engaged right from the start. The research further revealed that while critical skills required for implementing strategy were dependent on the complexity and nature of the strategy, leadership skills, relationship management skills and financial skills were inevitable in all cases of strategy implementation. The research revealed that strategic management practices is a continuous and evolves from time to time depending with changes in the external and internal environment

5.3 Conclusion

This research project has provided a comprehensive review of strategic management practices in an attempt to answer the research question and meet the research objective. The researcher established that organizations should always scan both its external and internal using the SWOT analysis so at to understand the changes in the business needs. While implementing strategy, the appropriate learning options or channels should be sort on the basis of the complexity of the strategy, the nature of the strategy and who it would impact on.

The level of competency and level of empowerment of employees should be observed in order to improve their level of confidence in the implementation process. Following strategy implementation, job roles must be reviewed in order to identify areas of skills development and in order to place the people with the right skills in the right jobs. Critical skills required for strategy implementation must be identified depending on the complexity and nature of the strategy. However, leadership skills, relationship management skills and financial skills would be required for all strategy implementation cases.

The research finding established that adequate and early planning and including all stakeholders for strategy implementation should be done in order to avoid unnecessary delays, people issues, process issues and cost issues. The research therefore concluded that given the changes in the environment brought globalization, technology and competition; organizations have to adjust their way of doing things by adopting new strategies while ensuring effective strategic implementation. This therefore clearly shows that there is no one single approach to strategic management and therefore its practices keep evolving from time to time depending with the changes in the environment.

5.4 Recommendations

Managers and executives need to improve on communication and awareness of strategy and focus on building competencies in the organization during strategy implementation phases to increase the chances of successful implementation, their visibility, importance and credibility.

Managers and executives should genuinely realize the importance of SWOT analysis which is critical in enable them understand changes in the environment. They also need to make the process of strategy formulation and implementation all inclusive so as to avoid resistance from employees.

5.5 Limitations of the Study

Owing to the nature of the working conditions in the organization, it was not possible to interview managers who had tight schedules of work and on official duties. It was also a challenge scheduling the interview sessions as the managers were stationed in different offices in dispersed locations of the organization.

There were managers who had been in the organization during major strategy implementation phases who had since left and their experience could not be incorporated in the study. Some managers refused to be interviewed as they felt that the information they were to provide to the research was very sensitive.

5.6 Suggestions for Further Study

The study was looking into strategic management practices at Barclays bank of Kenya which is a multinational. Previous studies have not been done on the topic and as such there is need for further research. More case studies should be done with the local organizations, so that, the learning's and experiences from them, can then be used by those organizations intending to formulate and implement strategy.

The findings of this research study, as a case study, were from a specific organization. As such, they did not give a general picture of the banking industry. Consequently, similar studies should be done in other commercial banks, as a survey, the results of which could be compared with this research study, so as to establish whether there would be consistency on the strategic management practices in the banking industry. The researcher therefore recommends that a survey on the banking industry in Kenya be performed and other aspects of strategic management practices be analysed.

This study should be replicated using interviews drawn from a different group in different organizations. For example, a sample of top Executives could be drawn to study the strategic management practices.

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APPENDICES

Appendix I - Letter of Introduction

Dear Sir/Madam,

<u>RE: REQUEST FOR RESERCH INFORMATION.</u>

I am a student at the university of Nairobi pursuing a Masters degree in Business Administration (MBA) I am undertaking a research project on factors affecting strategic management in the banking sector in Kenya key focus in Barclays bank as part of the academic requirements for the award of the stated degree.

I would be grateful if you could spare a moment of your time and allow me to interview using the attached interview guide, to help me gather the necessary information. The information you give shall be treated with utmost confidentiality and be used solely for this research problem. A copy of the same shall be availed to you on request.

Any additional information you might consider necessary for this study will be highly appreciated.

In case of any queries pertaining to this research project, do not hesitate to call me on Tel: 0720283480.

Thank you in advance.

Yours sincerely

Lihanda Edgar Mbwaya

Appendix II – Interview Guide

INTERVIEW GUIDE FOR STRATEGIC MANAGEMENT PRACTICES AT BARCLAYS BANK

Kindly answer all the questions by ticking in the appropriate box or filling in the spaces provided.

SECTION A: GENERAL INFORMATION

1. Position..............................
2. Function Name ....
3. What role have you played in implementation of strategy?
4. What informs the strategic management practices in the organization?

SECTION B- STRATEGIC MANAGEMENT PRACTICES

5. Internal Environment

a) What internal environment factors are affecting your organization?
b) Explain how internal environment affects strategic management in the Banking sector in Kenya?
c) Has the internal environmental factors changed substantially over the last five years? If yes could you please specify the most important changes made and the main reasons for these changes?

6. External Environment

a) What external environment factors are affecting your organization?
b) Explain how external environment affects strategic management in the Banking sector in Kenya?
c) Has the external environmental factors changed substantially over the last five years? If yes could you please specify the most important changes made and the main reasons for these changes?

7. Strategic implementation

a) Does your company have a formalized strategic planning system and for what time horizons does your company develop a formal corporate plan?

b) Do you currently experience any problems specifically as a result of using the planning system? If yes could you please specify the major problems you experience?

c) Do you expect planning system changes to be made in order to deal with these problems? If yes what kind of changes do you expect?

d) In your opinion, what are going to be the major changes in the way your company approaches strategic management in the next five years?

e) Could you please specify the main areas where key strategic decisions have been made during the last five years?

f) Think of a most recent implemented strategy in the organization.
   - What was it?
   - What factors were key in implementing the strategy described?

g) Who are involved in the organization when implementing strategy?

h) How do employees' respond to strategy implementation?

i) What considerations would you suggest for successful strategy implementation?

THANK YOU FOR YOUR PARTICIPATION