

**STRATEGIC MANAGEMENT PRACTICES AND PERFORMANCE
OF COMMERCIAL BANKS IN KENYA: A CASE STUDY OF SBM
BANK KENYA**


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DECLARATION AND APPROVAL

I, Elizabeth Serea Koikai, hereby declare that MBA research project titled “strategic management practices and performance of commercial banks in Kenya, a case study of SBM Bank Kenya” is my original work and has not been presented to any institution, college or university for award of any certificate, diploma or degree.

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DEDICATION

This work is dedicated to my parents Mr & Mrs Koikai and family especially Lillian Nadopha who supported me throughout the process either financially and also with their good advice and wisdom and gave me the spirit of pushing through and I completed my studies.

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I wish to acknowledge and appreciate the contribution of all that in one way or another participated in the successful completion of this work.

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ABBREVIATIONS AND ACRONYM

CAMEL	Capital adequacy, Asset quality, Management, Earnings, Liquidity, and Sensitivity
CBK	Central Bank of Kenya
CBLIR	Chase Bank (Kenya) limited (in receivership)
RBV	Resourced Based View
SBM	State Bank of Mauritius
SME	Small and Medium-Sized Enterprises

ABSTRACT

While every organization has to set out a vision, they also have to come up with strategies that align with it with an aim of improving productivity and performance, increasing competitiveness, decreasing costs and improving quality. Strategic management techniques, in particular, have been described as critical for increased output and competitiveness because they boost productivity in terms of production and apportionment of goods and services within the enterprise. The banking industry has adopted insular processes of business process redesign, rebranding and transformation. To ensure both survival and success, banks should employ strategic management practices that strive to maintain a constant balance between the firm and the market environment. The study sought to establish the effects of strategic management practices on performance of banks in Kenya in reference to SBM Bank Kenya. The study focused on the effects of strategic intent, strategic planning, strategy evaluation, environmental scanning, and strategy control on the performance of banks. The study was anchored on dynamic capabilities theory and supported by the resource-based theory (RBV) and contingency theory. A case study design was adopted. The study used both primary and secondary data. Primary data was collected using interview guides. The research data and information was collected from the nine senior management at Kenya SBM Bank including the director of sales and marketing, director of operations, director of supply chains, director of information system, director of customer service, director of finance and director of human resources. A conceptual content analysis was employed. The interviewees' perspectives on the impact of strategic management practices on bank performance in Kenya, with a focus on SBM Bank Kenya, was analyzed using content analysis to extract common themes or data from the various responses received. The study found that the strategies used in the banks included commissioning right products to maximize stakeholders returns, crafting a holistic mission and vision statement that is shared to all staff compliment and clearly displayed to both internal and external prospects, and partnering with other bodies /corporates to support in strategy awareness. Also, the study found that the bank deals with unforeseen market economic changes that may distort the actualization of the plans by: continuing to survey the plans each quarter to make changes educated by market and working climate changes. The study also found the strategies have been greatly applied and achieved through profit margins to an extraordinary reach out in choppiness circumstances such as presently. The study also found that managers ensure that the strategy is consistent with conditions in the competitive environment through continuous measurement of strategy – performance and alignment of initiatives vs. strategic plan. The study also found that the bank enhances communication of information about organizational change before and after about organizational developments through active staff engagement using KIP sessions. The study concluded that strategic intent, strategic planning, strategy evaluation, environmental scanning, and strategy control affect the performance of banks. The study recommends that top management in banks to ensure that they support any implementation taking place in the organization. The study also recommends banks to embrace effective and efficient forms/channels of communication.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

A vision without strategy remains an illusion. While every organization has to set out a vision, they also have to come up with strategies that align with it with an aim of improving productivity and performance, increasing competitiveness, decreasing costs and improving quality (Holotiuk & Beimborn, 2017). Strategic management techniques, in particular, have been described as critical for increased output and competitiveness because they boost productivity in terms of production and apportionment of goods and services within the enterprise. In the sector of finance, practices of strategic management and competition have consequences for acquisition to financial capital, fund allocations, productivity and development of service and manufacturing sectors, economic growth, and financial stability.

The study was anchored on dynamic capabilities theory, and supported by the resource-based theory (RBV) and contingency theory. The resource-based theory emphasizes the value of resources internal to the firm and their usage in strategy formulation that may aid in the development of a long-term market's competitive edge. The dynamic capabilities perspective sought to broaden the proposition of a RBV of the business in response to rapidly altering current firm environmental situations by considering competitive survival as a critical concern. The contingency theory supports the need for companies to conduct environmental scanning while making strategic decisions that must be implemented in a way that is responsive to environmental dynamics and includes mechanisms for adaptation in order to achieve optimal performance outcomes that will ensure the long-term sustainability and success of businesses.

The banking industry has adopted insular processes of business process redesign, rebranding and transformation. The overall goal of these processes has been to develop a customer-centric approach. When a company is adamant that what it is doing now and in the future is the best thing to do, such a strategy can be acceptable and successful. However, it is necessary to review original goals and priorities on a regular basis to ensure that the organization is doing the right things and doing them well (Holotiuk & Beimborn, 2017). Appropriate resource management and planning techniques may help address these modern-day issues. To ensure both survival and success, banks should employ strategic management practices that strive to maintain a constant balance between the firm and the market environment.

1.1.1 Strategic Management Practices

This is a guide to effective decision making that has been noted as an effective method for improving organizational efficiency (Muzychenko, Koliada & Churkina, 2017). The rapid nature of environmental change necessitates a different collection of viewpoints than those needed during more stable periods. As a result, organizations must change strategic management activities in order to implement and revise future plans in order to meet their goals. This should be done in light of the company's resources, limitations, and operating climate.

The essential aspects of strategic purpose, formulation, execution, and control are all covered citations of past strategic management activities (Leskaj, 2017). It is a collection of managerial decisions and behavior that have an effect on a company's long-term success. Strategic goal can be thought of as a ground-breaking idea in strategic management theory and practice, one that has been linked to major advancements and improvements in the way businesses operate (Nikpour, 2017). The

definition of strategic purpose has been pointed out in literature as critical to improving understanding of the strategic path in which a firm is going (Alexy, West, Klapper & Reitzig, 2018). The manner by which a firm identifies the best appropriate course of action to achieve its established goal is referred to as strategy formulation. It is vital to the success of a firm since it provides a basis for the actions that contribute to the preferred outcomes.

According to Arogo (2018), strategy execution involves turning strategy into action with the ability to enable the company to achieve desired outcomes or results that compare favorably to the enterprise's objectives. Strategy control puts into consideration shifting assumptions that decide the degree of strategy execution performance, and hence involves evaluating organizational activity execution and taking the appropriate actions to adjust operating activities to changing market conditions. Controlling, according to Davis (2019), is a systematic endeavor that compares real output to predetermined expectations and ultimately offers input that allows for organizational activity improvement. Management can influence sub-units and members to act in a manner that contribute to the achievement of goals of the organization through strategy control (Corte, D'Andrea & Del Gaudio, 2017). This can lead to better strategy implementation and improved corporate efficiency.

1.1.2 Organization Performance

Organizational performance determines its future success, which refers to its ability to effectively implement plans in order to achieve institutional objectives. It demonstrates the ability of an organization to accomplish its mission by engaging in sound management practices, strong governance and persistent rededication to achieving the desired results. According to Pambreni, Khatibi,

Azam, and Tham (2019), an organization's success is largely determined by the degree of expertise in which its representatives execute strategies. It also relies on its staff, who are a vital part of the company and are part of the team that works to accomplish the company's objectives.

Organizational performance can be measured using both financial and non-financial outcomes (Corte, D'Andrea & Del Gaudio, 2017). The key indicators of performance identified in the balanced scorecard encompass financial, customer service and satisfaction index, organisation's learning and growth and internal business processes. Internal business process is considered as the path to realizing strong financial results and superior customer satisfaction. In respect to financial perspective, performance is a measure of the degree of change of the financial state of an enterprise, or the financial outcomes that results from management decisions and the implementation of such decisions by members of the organization. Kenyan banks have recognized remarkable evolution in the ultimate five years and this has been evident in the enlargement to the East African Region. Modern-day banking has been prompted via globalization and the rapid environmental modifications. Regulatory, structural and technological elements are notably changing the banking surroundings in the course of the world leading to increased competitive advantage (Soltani, Zareie, Milani & Navimipour, 2018).

1.1.3 Banking Industry in Kenya

The banking industry in Kenya is governed by the Companies Act, the Banking Act, the CBK Act and various prudential guidelines issued by the CBK. The Banking Act (2004) defines a bank as a company which carries on, or proposes to carry on banking business in Kenya. All these commercial banks

are based in Nairobi with branches in other parts of the country and outside the country. Most of them are categorized as small to medium sized locally owned. The industry is however dominated by large banks most of which are foreign owned though some are partially locally owned. Kenya has a long history of commercial banks, with the predecessors of the three major commercial banks set up before 1920s. By independence in 1963, Kenya had 10 commercial banks with the big three, National and Grindlays Bank, Barclays Bank and Standard Bank (Central Bank of Kenya, 2018).

The Central Bank of Kenya, which falls under the Treasury docket, is responsible for formulating and implementing monetary policy and fostering the liquidity, solvency and proper operations of the commercial banks in Kenya. Commercial banks in Kenya are required by CBK to submit audited annual reports, which include their financial performance and in addition disclose various financial risks in the reports including credit risk, interest rate risk, foreign exchange risk, liquidity risk as well as capital management risk on a yearly basis by 31 March of every year. The Kenyan banking sector registered improved performance in 2013 by registering a 15.9 percent growth in total net assets from Ksh. 2.33 trillion in December 2012 to Kshs 5.3 trillion recorded in Q3'2020 and a 2.9% growth to Kshs 5.4 trillion in Q4'2020 (Central Bank of Kenya, 2020).

According to the Central Bank of Kenya, there are currently 42 licensed commercial banks in Kenya. Three of the banks are public financial institutions with majority shareholding being the Government and state corporations. The rest are private financial institutions. Of the private banks, 25 are local

commercial banks while 13 are foreign commercial banks (CBK, 2018). Bank financial performance in the recent past has significantly improved since 2016. Data from the Central Bank of Kenya shows a significant growth in the industry in all areas including financial performance (CBK, 2018). The banking industry in Kenya has grown over the years since the Central Bank of Kenya put up measures to regulate the banks in order to streamline the activities and more so to prevent the collapse of the banking industry as had been before and also recently with closure of two commercial banks.

1.1.4 SBM Bank

State Bank of Mauritius Holdings (SBM) is the parent company of SBM Bank Kenya. The Mauritian Government established it over four decades and it is one of the biggest banking and financial offerings establishments listed at the stock exchange of Mauritius. The organization has a presence in India, Madagascar, and Kenya and most currently in Seychelles; the boom spurt is on the path with its vision to go beyond Mauritius with remarkable consciousness at the Asia-Africa corridor. In the group, the Kenyan market comes second after the Mauritius one (SBK, 2020).

Its first entry to the Kenyan market was through the successful acquisition of Fidelity Commercial Bank in May 2018. In August 2018, through an asset purchase agreement, In receivership SBM acquired certain assets and liabilities of Chase Bank (Kenya) limited (CBLIR). It is involved in banking activities, which consist of, banking and non-banking. Banking activities encompass corporate, SME and retail banking. The non-banking activities include equities, securities, advisory, and insurance in addition to investment banking (SBK, 2020).

SBM bank has fifty-five branches spread across the counties with its headquarters in Nairobi. Consistent with its strategic plan for the year 2019-2021, it targets at increasing its market share to upgrade to a tier-one bank. This consists of strengthening the brand visibility, growing the quantity of transacting clients and extends into one of the East African countries. Further, it looks forward to growing a high-performance tradition and drive change in the dynamic environment (SBK, 2020).

The customer segment within the bank seeks to develop a varied product offering with the intention to make certain advanced and efficient service delivery. In its human assets, it has forecasted to capacity building in all of the key areas because it ensures a risk conscious culture on its talent management. In line with the organization vision of digitalization, SBM Kenya seeks to set up and drive innovation because it ensures that cyber security is enhanced as well as the systems. Regarding the financials, it seeks to grow its deposits, loan book, boost up the NFI and make sure that it contains the operating charges (SBK, 2020).

1.2 Research Problem

Worldwide competition, technological advances and changing needs of customers, aggressive paradigms are driving corporations to compete, simultaneously along extraordinary dimensions, which include design and development of product, communicating and advertising (Alexy, West, Klapper & Reitzig, 2018). Due to new developments and the competitive nature of the financial sector, commercial banks must consider improving competition mechanisms in order to improve their ability to thrive and compete in the marketplace (CBK, 2017). In recent years, increased competition in the banking industry has been linked to fluctuations in market share and performance among the players (Misati, Njoroge, Kamau & Ouma, 2017).

Stiff competition has characterized the Kenyan banking industry surroundings in the last decade (Central Bank of Kenya, 2020). The industry encompasses quite a number of monetary institutions offering numerous styles of monetary offerings that are in large part homogeneous, simplest differentiated by way of naming the product or only a few features leading to very stiff competition for market share. SBM Bank Kenya, like other firms the sector of finance, is battling for share in the market in the period of strong competition from within the sector and from providers of mobile telephony who have launched creative alternatives to traditional banking products. This state of affairs has also pushed SBM bank into organizational redecorate converting from Fidelity and Chase bank into the new redesigned bank (SBK, 2020). The study's goal is to determine the impact of strategic management practices on bank performance in Kenya, with a focus on SBM Bank Kenya.

A number of studies have been conducted to assess strategic management practices and performance. They comprise: Klus, Lohwasser, Holotiuk and Moormann (2019) who looked at how strategic aim affects knowledge development and transition in the Australian logistics industry and Byukusenge and Munene (2017) who conducted an empirical analysis on SME strategy execution and efficiency in Iran. However, these studies were done abroad and in more developed countries than Kenya. On the other hand, Ondoro (2016) conducted a methodological analysis of strategy control and social success in organizations. However, the study used a library review approach which was different from the current study. Nyakwana and Atambo (2017) investigated the relationship between strategic planning and implementation practices at the Kisii county government in Kenya. The study's scope however was on the county government as compared to this current study that focused on SBM Bank. Therefore,

this study sought to answer the question: how do strategic management practices affect the performance of banks in Kenya in reference to SBM Bank Kenya?

1.3 Research Objective

The objective of this study was to establish the effects of strategic management practices on performance of banks in Kenya in reference to SBM Bank Kenya.

1.4 Value of the Study

The findings of this study are significant to SBM Bank's strategic management policymakers because they might help them better understand the relationship between strategic management practices and success. The failure of one or a combination of the different aspects of strategic management practices is often linked to the challenges of organizational success. As a result, the results of this study could be critical in formulating important policies on strategic management activities, which would eventually aid in enhancing bank practices.

The study would make recommendations on how banks can exercise strategy control by investing in staff preparation, suspending less efficient projects, and allocating more resources to productive projects. Further, the findings of the study might reveal how banks' strategies should undergo rigorous evaluation and development to ensure organizations attain its goals and objectives in the long run.

Future scholars might find the findings of this study useful. On the one hand, the findings and recommendations would contribute to the growing body of knowledge in strategic management and business performance. The findings of this report, on the other hand, could be used as a platform for further studies on institutional performance in other commercial banks, as well as organizations in other industries and sectors.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter discusses theoretical review of the study. First, theories that informed the study are discussed into detail and deductive arguments were made based on the concepts of these theories. Second, literature on the link between independent variables and dependent variable is discussed in relation to the theories of study. Third, empirical review discussing related studies were carried out illustrating their findings and gaps. The summary of literature review and research were highlighted.

2.2 Theoretical Foundation

This section provides a review of the theoretical foundation of the study. A theory is a systematic clarification of connections among phenomena (Soltani, Zareie, Milani & Navimipour, 2018). The study was anchored on dynamic capabilities theory and supported by the resource-based theory (RBV) and contingency theory.

2.2.1 Dynamic Capabilities Theory

Teece, Pisano, and Shuen characterized dynamic capabilities as a firm's capability to integrate, create and reconfigure competencies both internally and externally to face the challenges of rapidly altering environments in their 1997 paper, dynamic capabilities and strategic management (Teece, Pisano, & Shuen, 1997). The diverse capabilities viewpoint aimed to expand on Penrose's RBV of the company (1959). On the one hand, the firm's RBV prioritizes long-term competitive edge;

conversely, dynamic capabilities prioritize survival in competition in response to today's rapidly changing environmental conditions (Ludwig, & Pemberton, 2011).

The fundamental premise of the dynamic skills concept is that the core competencies of organizations can be adopted to build competitive advantages in the short-term that may be transformed into long-term competitive advantages. The dynamic capabilities theory entails strategies creation by successful companies' management teams for adjusting to radically intermittent alteration but retaining optimal capacity levels to help in survival and growth in competition (Ludwig & Pemberton, 2011). Dynamic skills, according to Teece et al. (1997), provide a firm with the opportunity to remain agile and responsive to the evolving competitive market requirements. Dynamic skills improve a company's capability to thrive and prosper in the marketplace because managers are able to chart new ways that have the capability to create more value for the company's clients.

This theory stresses on the importance of institutions directing and focusing investments on building internal resources stocks like structures, properties, procedures, information, and technology that gives them a competitive edge, leading to lower costs of production or higher product quality, and thus boosting efficiency. It also connects economics-based strategy and evolutionary tactics to firms, as it connects the idea of RBV of businesses to "procedures" in evolutionary organization theories. Gathungu and Mwangi (2012) noted that all firms aim at high performance which leads to high profits and sustainable competitive advantage. However all firms face a challenge on how to create sustainable competitive advantage especially on the rapidly changing environment. Their study viewed dynamic capabilities as an emerging paradigm of the modern business firm that

propels sustainable high performance in rapidly changing environment. According to Teece, Pisano, and Shuen (1997), an organization's ability to address new challenges depends on three dynamic skills: staff willingness to learn quickly and create new strategic resources, the incorporation of new strategic resources, and the change or recycling of current depreciated resources.

2.2.2 Contingency Theory

This theory was found by an Austrian psychologist Fred Edward Fiedler in 1964 (Robbins & Coulter, 2002). It is proposed that the most efficient and acceptable governance institutional design is one in which the organizational structure corresponds to the contingencies of the organization. As a result, the theory alludes that in the case where management comes up operational decisions in their organizations, they ought to weigh every aspect of the current circumstance and deal with the relevant ones of the present situation. Prescriptions for managers' challenges and concerns are based on the specific surroundings that exist in the company.

Hambrick and Fredrickson (2005) posit that a firm's major aim is to realize long-term sustainable development. The vision and strategic priorities of business organizations have practical implications on the direction, implementation of selections, and assessment of implementation of the chosen policies. As a result, it is critical for an organization to establish a match amid skills and assets in order to capitalize on business prospects and obtain a competitive advantage. According to Olum (2004), creativity, which is essential for a firm's long-term viability, is also vital for improved performance and differentiation from opponents. Businesses who want to expand their customer base

should look for ways to innovate in order to find a strategic match for their expansion plans.

According to contingency theory, an firm is an open structure that is dependent on and serves the setting (Robbins & Coulter, 2002). As a result, the theory's importance to practicing managers is highlighted, as it provides support for companies to scan their environment in making the choice and implementing strategic decisions that ought to be carried out in a way that is responsive to dynamics of the environment and include frameworks for adaptation with the aim of achieving optimal performance outcomes that will ensure the long-term sustainability and growth of business enterprises.

2.2.3 Resource Based Theory

The resourced based view (RBV) of the firm can be originally traced to the work of Penrose (1959). Other scholars that contributed to the development of the resource base view included Wernerfelt (1984), Barney (2004), and Morduch (2010) among others. The key focus of the resource based view is tangible and intangible assets that comprise the stock of firm specific factor with potential to enhance performance (Crook et al., 2008). The resource based view theory highlights the importance of internal resources within the firm and the use of such resources in formulating strategy that can help in creation of sustainable competitive advantage in the market place (Schroeder et al. 2002).

Firms develop competencies from the assortment of resources within their control and when developed well, they tend to become a source competitive advantage (Pearce & Robinson, 2007). This implies that resources play a vital role in the strategic management practices embraced by a firm and more so the implementation activities which if not effectively managed may significantly

hamper performance and survival of an organization.. Learned et al. (1969) formulated the resources approach noting that whatever a firm is capable of doing is no just a function of its opportunities but stock of resources in its possession and control. The insights provided tend to support the inside-out perspective of firms strategy that necessary for pursuing, entrenching and sustaining competitive advantage

The resourced based theory has its origin in the management philosophy that considers the resources of firm's as the source of competitive advantage as opposed to their positioning in the external environment. Therefore, rather than simply evaluating the environmental opportunities and threats when conducting business in the firm, competitive advantage should built around firm-specific resources and capabilities (Barney, 1995).The resource based theory therefore contends that certain types of resources that are owned and controlled by firms have potential to generate competitive advantage and relatively superior performance (Ainnuddin et al., 2007).

In strategic management literature RBV emphasizes utility of strategies that are focused and very efficient in operations and those strategies that are rapidly responsive to the dynamic and competitive operating environment since the firms that survive are the fittest and most adaptable to the environment (Abdullah, 2010). Extant empirical literature on relationship between performance and diversification provides evidence to this proposition (Wermerfelt & Montgomery, 1988). This theory depicts that the organizational success depends on achieving a good fit between strategy, structure and culture. Performance improvement is linked to deliberate efforts by management towards developing a suitable

organizational culture which is manifest in leadership, decision making process and in the way through which formal structure and business procedures are transposed into routine activities.

2.3 Strategic Management Practices and Performance of Commercial Banks

Strategic management is a set of managerial decisions and actions that help to determine the long-term performance of an organization (Thomas et al., 2015). Strategic intent is the entry point to the strategic management process: it helps in analyzing and understanding the segments of the general environment. Most enterprises use their strategic planning to select the right strategies and manage both internal and external environmental factors which both lead to the appropriate identification of the enterprise's vision and mission. This study looks at strategy planning by highlighting business level strategy through determining its four areas: strategies for cost leadership, differentiation, focus, and integrated cost leadership/differentiation. Similarly, the study discusses corporate level strategy and the applied levels of diversification: low, moderate, high and very high. Moreover, in this research consideration is given to functional strategies and co-operative strategies, Next, the study clarifies the strategy evaluation which consists of a corporate governance mechanism to monitor and control managers' decisions, applied leadership through empowering others, anticipation, envisions, and maintaining flexibility to create changes in strategy. In addition, environmental scanning is examined consisting of tracking, analysing, and disseminating knowledge from the environment externally and internally to vital persons in a company (Thomas et al., 2015).

Strategic management therefore involves identifying of long-range targets, scanning of the organization's operating environments, evaluating the organization's structures and resources, matching these to the challenges the organization face, identifying stakeholders and building alliances, prioritizing and putting in place plan of actions, and making adjustments to fulfil performance objectives over time. Brinkerhoff (2014) characterizes strategic management practices as looking out, looking in, and looking ahead. "Looking out" means exploring beyond the boundaries of your organization to set feasible objectives, identify key stakeholders and build constituencies for change. The literature below therefore entailed information on the effect of strategic intent, strategic planning, strategy evaluation, environmental scanning, and strategy control on the performance of banks.

2.3.1 Strategic Intent

In the literature on strategic management, the idea of strategic purpose has been identified as critical in understanding the overall firm direction (Ko, O'Neill, & Xie, 2021). Suominen, Kelly, and Goeuriot (2019) introduce the idea of strategic aim into the literature, defining it as a sustained focus with winning at each level of a firm and that can be maintained for very long time. It's a win-at-all-costs mentality that ignores the constraints imposed by available resources and capabilities. Strategic intent, according to Davis (2019), is critical to a firm's long-term survival, particularly for those aspiring to global leadership.

The organization's strategic intent is the intended path it will take. It's a brief, encouraging, and motivating declaration of what the company wants to be and accomplish in the future, always expressed in competitive terms. It refers to a general,

all-encompassing, and forward-thinking category of intentions. It is the image of an organization's goals that it must have before setting out to achieve them. It expresses future expectations without elaborating on the methods that will be adopted to realize those goals. It is consistent over time and establishes objectives that require personal initiative and dedication. It is a vision that determines the organization's preferred leadership role and establishes the metrics by which performance will be measured. It's at the center of any plan (Holotiuk & Beimborn, 2017).

Any level of activities (strategic action) and behavior are needed to realize strategic intent. Management concentrating the firm's focus on the spirit of winning, inspiring individuals by informing them the importance of the goal, making space for personal and team participation, maintaining excitement by presenting novel organizational descriptions as conditions shift, and constantly using aim to direct resource allocation are examples of such practices. Internal firm-wide friction should be created by strategic aim, encouraging and compelling all employees to be committed to the defined future path (Muzychenko, Koliada & Churkina, 2017).

Some factors have been identified to affect an organization's strategic purpose. Stakeholders, leadership, motivated potential guesses, history and culture, ownership structure, corporate principles, strategic evaluation, and strategic choices are among the seven factors listed by Salinas and Lozano (2019). In practice, strategic purpose must be accepted by stakeholders, be compatible with the company's history and culture, and extend beyond its current aspirations and practices.

2.3.2 Strategic Planning

Strategic planning is a management function that centres on an organization's long-term development and well-being. According to Pambreni, Khatibi, Azam, and Tham

(2019), the interest in strategy arose from the comprehension that a company required a properly described scope and growth trajectory, not mainly extrapolating past success to project into the future. Firms' understanding of the need for strategic thinking and planning was noted by Dyczkowska and Dyczkowski (2018).

The procedures of goal/objective creation, situation scrutiny, alternative consideration, execution, and assessment that allow a firm to achieve its goals are standardized by strategic planning (Leskaj, 2017). According to Dyczkowska and Dyczkowski (2018), businesses that are strategically run have greater alignment and financial results than those that are not. This implies that there is a connection between strategic planning and a company's overall success in terms of growth, earnings, goal achievement, and long-term competitiveness (Turel, Liu & Bart, 2017).

2.3.3 Strategy Evaluation

The value of strategic direction setting for organizations has been well documented in the literature. An organization may benefit from strategic guidance in a variety of ways. Direction setting, according to Pambreni, Khatibi, Azam, and Tham (2019), is a widely shared sense of organizational direction and intent. They argue that the change is necessary because few companies have succeeded by trying to be everything to all customers. To instil a sense of mission, the most effective organizations follow a vision that is much greater than their resource base and competencies can allow.

As a result, strategy assessment becomes an important method and metric for determining an organization's strategic role. This allows management to ensure that the organization is on the right track and that corrective action is taken

when necessary. Management must review its plans against results on a regular basis, so that any suggestion that the organization is struggling to meet its goals necessitates corrective action. Aside from goal-setting and motivation, strategy assessment is needed to provide details about how one's success compares to peers and other benchmarks. It outlines what is required of you and what you must do to maintain your current level of success. In this way, strategy assessment is used to develop step-by-step guidelines for possible activities based on what has been learned in the past and what the world has to offer (Corte, D'Andrea & Del Gaudio, 2017). Evaluation is needed to justify decisions, i.e., the legitimizing role of evaluation serves as a source of power that can aid in the strengthening of a strategic resolve. The results of the assessment are seen as a legitimizing factor in this case (Alexy, West, Klapper & Reitzig, 2018).

2.3.4 Environmental Scanning

Environmental scanning, according to Davis (2019), is the process of tracking, analyzing, and disseminating knowledge from the environment externally and internally to vital persons in a company. It's a method of collecting, analyzing, and disseminating data for operational or strategic purposes. Corporate leaders base their firms' pursuit of business opportunities not only on the nature of external opportunities, but also on a thorough understanding of their company's competitive advantages derived from internal capital, expertise, and skills (Corte, D'Andrea & Del Gaudio, 2017).

The factors outside of a firm's control that affect its selection of course and action, firm structure, and internal procedures are referred to as the firm's external environment. The external environment is made up of three subcategories: variables in the remote

environment, business environment, and operating environment. The opportunities and challenges that a company faces in a competitive market are based on a combination of factors (Soltani, Zareie, Milani & Navimipour, 2018).

2.3.5 Strategy Control

When developing organizational strategies, Arogo (2018) emphasizes the importance of keeping strategy control in mind. Indeed, strategy control practices are used to assess how well company operations, policies, and environmental factors are aligned. Furthermore, strategy control ensures that operations in different business units are integrated (Leskaj, 2017). A bank enhances communication of information about organizational change before and after about organizational developments through active staff engagement using KIP sessions, promotion of sensitization activities through champions, communication by CEO, HR and Marketing by means of email and Town halls/Conference calls where need be, by sharing bulletins and newsletters, use of brand ambassadors and change champions in the bank, and by outsourcing expert corporates to pass information(Ko, O'Neill, & Xie, 2021).

Evaluation and control of strategies are critical for comparing real results to those expected and, eventually, providing the necessary input for undertaking adjustments in the course of the execution process (Holotiuk & Beimborn, 2017). The strategic control aims is not to highlight earlier mistakes, but to recommend the necessary adjustments in order to guide the company in the right way. According to Pambreni, Khatibi, Azam, and Tham (2019), timely corrective measures include PIP (Performance Improvement Plans), support from line managers, teamwork involvement to support in marketing, closing deals and market activation to improve on target actualization, through mentorship, trainings and instructing for colleagues, audit of focuses in accordance with

changing environment, through weekly KIP sessions to keep all staff informed on the organizations products, monthly evaluation sessions by managers on performance, review/challenging of initiatives that support the strategy plan, and additional resourcing.

2.4 Empirical Studies

Ondoro (2016) conducted a methodological analysis of strategy control and social success in organizations. The research used a library analysis technique and was based on control theory. It looked at, synthesized, and critiqued literature on strategic control and organizational social performance in order to come up with a conceptual structure. Ondoro pointed out that there was a paucity of empirical research on strategy control, especially in terms of describing the strategic control undertakings to be performed in order to achieve strategic goals. The current empirical evidence on the link between strategic control and organizational social performance is not precise or sufficient, according to the findings of this conceptual analysis. The current study aims to provide a foundation for an empirical investigation of the relationship between SBM Bank's strategy control and success in Nairobi City County.

Nyakwana and Atambo (2017) investigated the Kisii County Government in Kenya to learn more about strategic planning and implementation activities. The researcher received qualitative data from the County Secretary, Deputy Speaker, County Development Officer (CDO), and county executives. Because the qualitative data analysis was done using the content technique, the results could not be generalized. Furthermore, since the Opano study included the Kisii County

Government, the policy and procedure recommendations might not be applicable to SBM Bank.

Kiarie (2019) established what influence dynamic capabilities has on the performance of the State Bank of Mauritius Kenya Limited (SBM) as well as establish how the culture of this organization moderates on the relationship linking together dynamic capabilities and performance of the Bank. The research was based on SBM bank Kenya, the subject of the case study. Data collection (Qualitative) was through an interview guide, which enabled in-depth responses to be harnessed. The data collected was presented in prose form. The study has established that SBM bank's performance is significantly influenced by its dynamic capabilities and culture. Similarly, the association of dynamic capabilities and performance of the bank is moderated by the culture of the organization.

Nyanaro and Bett (2018) sought to investigate the effects of strategic planning on financial performance of Barclays Bank, Kenya Limited as a representative of other commercial banks in Kenya. The specific objectives of the study were to establish the effect of the managerial factors, organizational factors, strategic intent and objective setting on financial performance of selected commercial banks in Kenya. The study was anchored on the theory of strategic balancing and Resource-based view theory. The study adopted descriptive research design to support and meet the objectives of the research. The target population for this study was the managers of Barclays Kenya Ltd as at 31st December 2011. The sample size was 114 comprising of 10 top level managers, 34 middle level managers and 70 low level managers. Questionnaire was used as a data

collection instrument. The study reasoned that administrative factors decidedly influences the monetary execution of those banks and that there was a solid positive connection between directors helping their staff create themselves, administrators controlling their staff on the best way to do their work keeping in mind the end goal to be remunerated. Authoritative components influence budgetary profundity and access to money related administrations more than resource quality and productivity in those banks of Kenya.

Afande (2013) sought to examine the relationship of strategic management practices and firm performance in Postbank. The study was guided by the following specific objectives: (i) to determine the competitive strategies adopted by Postbank; and (ii) to establish the relationship between the competitive strategies used by Postbank and its performance. A case study design was used to undertake the study. The population comprised Postbank top revenue drivers, namely operations and marketing/customer service departments, which are divided into regions covering the whole country. A semi-structured questionnaire was used to collect primary data from the respondents. Statistical Package for Social Sciences (SPSS), version 19.0 was used as an aid in the analysis. Data pertaining to the profile of respondents were analyzed by employing content analysis while determining the link between the competitive strategies and organizational performance; the strategy related items were subjected to a factor analysis to test whether the strategic practices were naturally grouped into the various competitive strategies. The findings show that the strategies adopted by Postbank so as to cope with the competitive environment include vigorous pursuit of cost reductions, providing outstanding customer service, improving operational efficiency, controlling quality of products/services, intense

supervision of frontline personnel, developing brand or company name identification, targeting a specific market niche or segment, and providing specialty products/services. The findings also show a significant relationship between the strategies adopted by Postbank in Kenya and their respective performances with respect to the following objective performance indicators: total revenue growth, total asset growth, net income growth, market share growth and overall performance or growth.

Watuka (2014) established the influence of strategic management practices on the growth of the commercial banks in Kenya. The study adopted a descriptive census survey of all the commercial banks in Kenya. The population of interest was all the commercial banks in Kenya. The data was collected through primary data using semi-structured questionnaires containing both open and closed ended questionnaire. The data was analyzed using descriptive statistics such as means, standard deviation percentages and frequency distribution. Correlation analysis was also conducted to establish the influence of strategic management practices on growth of the commercial banks. The study established that commercial banks practice environmental scanning to a large extent and on specific environmental scanning customer analysis was indicated first as most practiced of the analysis. The study also established that commercial banks in Kenya have formulated various business growth strategies. These include differentiation and cost leadership as the main strategy, and others practiced to large extent are market penetration, market development, product development, and diversification strategies. The study concludes that the commercial banks experienced growth mainly in growth indicators like profitability; customer numbers branch network, Assets, technology and bank

products. The study further concludes that the strategic management strategies formulated have a strong positive influence on the growth of these commercial banks.

2.5 Summary of Literature of Empirical Literature and Research Gap

The focus of study, methodology used, findings, and gaps in knowledge for the various research studies covered in the literature review were as summarized in

Table 2.1.

Table 2.1: Summary of Empirical Studies and Research Gap

Study	Methodology	Key Findings	Research Gaps	Current Study Focus
Strategy control and organization social performance: A conceptual Review (Ondoro, 2016)	Library review approach	The study found that the empirical evidence was unspecific and lacking on the association between strategic control and organization social performance.	The study did not find that strategy control has a positive influence on the organization social performance	The study focused on the effects of strategic management practices on performance of banks in Kenya in reference to SBM Bank Kenya.
Strategic planning and implementation practices at the Kisii county government in Kenya (Nyakwana and Atambo, 2017)	The study adopted a case study design	The study reveals that the county has made significant steps towards the strategic planning process.	The study's scope was on the county government. This study focuses on SBM Bank Kenya	The study focused on the effects of strategic management practices on performance of banks in Kenya in reference to SBM Bank Kenya.

Influence dynamic capabilities has on the performance of the State Bank of Mauritius Kenya Limited (SBM) (Kiarie, 2019)	The study adopted a case study design	The study has established that SBM bank's performance is significantly influenced by its dynamic capabilities and culture.	The study did not have the same variables as the current study	The study focused on the effects of strategic management practices on performance of banks in Kenya in reference to SBM Bank Kenya.
Nyanaro and Influence of strategic planning on performance of commercial banks in Kenya: Case of Barclays Bank of Kenya (Bett, 2017)	The study adopted a descriptive research design	The study reasoned that administrative factors decidedly influences the monetary execution of chose banks and that there was a solid positive connection between directors helping their staff create themselves	This study did not focus on SBM Bank Kenya and also did not use the same design as the current study	The study focused on the effects of strategic management practices on performance of banks in Kenya in reference to SBM Bank Kenya.
The relationship of strategic management practices and firm performance in Postbank. (Afande, 2013)	A case study design was used to undertake the study	The findings also show a significant relationship between the strategies adopted by Postbank in Kenya and their respective performances with respect to the following objective performance indicators: total revenue growth, total asset growth, net income growth, market share growth and overall performance or growth.	A semi-structured questionnaire was used to collect primary data	The study focused on the effects of strategic management practices on performance of banks in Kenya in reference to SBM Bank Kenya.

<p>Influence of strategic management practices on the growth of the commercial banks in Kenya (Watuka, 2014)</p>	<p>The study adopted a descriptive census survey</p>	<p>The study established that commercial banks practice environmental scanning to a large extent and on specific environmental scanning customer analysis was indicated first as most practiced of the analysis.</p>	<p>The study does not look at the SBM Bank Kenya</p>	<p>The study focused on the effects of strategic management practices on performance of banks in Kenya in reference to SBM Bank Kenya.</p>
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Source: Researches (2021)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents research design, target population, data collection and data analysis. It contains the general methodology or the layout of the research framework. It presents the sampling design techniques, how data will be collected and the source of data during the study.

3.2 Research Design

A case study design was adopted since it permits in-depth investigation of an institution, individual or phenomenon (Snyder, 2019). Case studies concentrate on the complete meaning of incidents and their interrelationships. A case study is a research tool for obtaining a thorough, multi-faceted understanding of a complex problem in its natural environment. It is a well-known research design that is widely used in a variety of disciplines, particularly in the social sciences (Mohajan, 2018). This study was set out to lay bare the concept of effects of SMP on performance of banks in Kenya in reference to SBM Bank Kenya.

3.3 Data Collection

The study used both primary and secondary data gathered relevant to the study. Primary data was collected using interview guides for all the interviewees of the case study. An interview guide is a list of questions asked by the interviewer during the interview (Snyder, 2019). The research data and information was collected from the nine senior management at Kenya SBM Bank including the director of sales and marketing, director of operations, director of supply chains, director of

information system, director of customer service, director of finance and director of human resources.

The researcher also gathered secondary data by reviewing published reports and documents on the SBM Bank and Kenyan Central Bank websites. SBM Bank's Report and CBK Banks' Supervisory Reports were included in the released materials.

3.4 Operationalization of the Research Variables

The operationalization of the study variables is as shown in Table 3.1.

Table 3.1: Operationalization of Study Variables

Variable	Operational Indicators	Measurement	Measurement Scale	Data Collection Tool	Data Analysis
Strategic Intent	Planned direction Aspirations for the future Level of activities Corporate values Strategic assessment Strategic choices	In-depth interviews	Nominal	Interview guide	Content analysis
Strategic Planning	Processes of goal/objective setting Situation analysis Alternative consideration Implementation and evaluation	In-depth interviews	Nominal	Interview guide	Content analysis
Strategy Evaluation	Goal setting and motivation Communication	In-depth interviews	Nominal	Interview guide	Content analysis

Environmental Scanning	Gather information. Analyze information. Communicate results. Make informed decisions	In-depth interviews	Nominal	Interview guide	Content analysis
Strategy Control	Goal-setting, analysis Strategy formation Strategy implementation strategy monitoring	In-depth interviews	Nominal	Interview guide	Content analysis
Performance of SBM Bank Kenya	Employees satisfaction Customer satisfaction and loyalty Efficiency levels	In-depth interviews	Nominal	Interview guide	Content analysis

Source: Researcher (2021)

3.5 Reliability and Validity of Research Instruments

The pilot study is the measurement between subjects of a dependent variable. Its focus was to guarantee that items in the instrument are clearly stated and that all respondents understand the same meaning. Pilot survey was done by sending the ten research instruments of Equity bank. The feedback from the selected respondents was used to test for validity and reliability of the tool and also informed the researcher the areas of improvements hence make the instrument more efficient.

3.5.1 Reliability of Research Instruments

Reliability of a measurement means how unbiased the research instruments are, thus guaranteeing consistency in measurements in that similar results on different occasions under similar conditions can be obtained (Fail et al, 2019). Reliability is concerned with the question of whether the results of a study are repeatable. Reliability coefficient of the research instrument was assessed using Cronbach's alpha (α). A construct composite reliability co-efficient (Cronbach's alpha (α)) of 0.7 or above was generally acceptable. Reliability of the questionnaire was evaluated through administration of the said instrument to the pilot group. The results were as shown in Table 3.2.

Table 3. 2: Reliability Analysis

Variable	Components of the variable	Cronbach's alpha	Number of items	Decision
Strategic Intent	Planned direction Aspirations for the future Level of activities Corporate values Strategic assessment Strategic choices	.717	6	Reliable
Strategic Planning	Processes of goal/objective setting Situation analysis Alternative consideration Implementation and evaluation	.778	4	Reliable
Strategy Evaluation	Goal setting and motivation Communication	.709	2	Reliable
Environmental Scanning	Gather information. Analyze information. Communicate results.	.833	2	Reliable

	Make informed decisions			
Strategy Control	Goal-setting, analysis Strategy formation Strategy implementation strategy monitoring	.742	4	Reliable
Performance of SBM Bank Kenya	Employees satisfaction Customer satisfaction and loyalty Efficiency levels	.847	3	Reliable

Source: Field data (2021)

From the results, performance of SBM Bank Kenya was the most reliable with an alpha value of 0.847 followed by environmental scanning with an alpha value of 0.833, followed by strategic planning with an alpha value of 0.778, then strategy control with an alpha value of 0.742, then strategic intent with an alpha value of 0.717 while strategy evaluation with an alpha value of 0.709 had the least reliability. This, therefore, depicts that the research instrument was reliable and no amendments were required.

3.5.2 Validity of Research Instruments

Validity is the accuracy and meaningfulness of inferences, based on the research results. One of the main reasons for conducting the pilot study is to ascertain the validity of the research instrument (Cox, 2019). Expert opinion was requested to comment on the representativeness and suitability of questions and give suggestions of corrections to be made to the structure of the research tools. This helped to improve the content validity of the data that was collected. Content validity was obtained by asking for the opinion of the

supervisor, senior lecturers and other professionals on whether the questionnaire was adequate.

Further test was conducted to check for acceptable degree of sampling adequacy. The test was done using Bartlett's test of sphericity and Kaiser-Meyer-Olkin (KMO) test where the Test outcome of 0.5 or higher establishes the suitability of the data. Sampling adequacy was assessed using the Bartlett's Test of sphericity which analyses if the samples are from populations with equal variances. The test results are as shown in Table 3.3.

Table 3.3: Kaiser-Meyer-Olkin (KMO) and Bartlett's Test

Factors	KMO Test	Bartlett's Test of Sphericity			Determinant
		Approx. Chi-Square	df	Sig.	
Strategic Intent	0.802	510.8	9	0.00	0.034
Strategic Planning	0.759	382.1	9	0.00	0.186
Strategy Evaluation	0.825	622.7	9	0.00	0.006
Environmental Scanning	0.853	848.9	9	0.01	0.242
Strategy Control	0.867	786.1	9	0.00	0.175

Performance of SBM Bank	0.781	9	0.00	0.236
Kenya	656.7		6	

Table 3.3 show that Bartlett's test significances were less than 0.05 ($p < 0.1$) further indicates an acceptable degree of sampling adequacy (sample is factorable). Also the KMO statistics for all the variables were greater than 0.5. This implies that the data was suitable for use in the analysis.

3.6 Data Analysis

The gathered data was analysed qualitatively. A conceptual content analysis was employed. Content analysis is a way of inferring patterns by carefully and objectively identifying certain message features and linking them to trends (Ørngreen & Levinsen, 2017). It offers a qualitative image of the respondent's concerns, concepts, behaviors, and feelings to the researcher (Ørngreen & Levinsen, 2017). The researcher counted, analysed, and compared the existence, meanings, and relationships of certain terms and concepts before drawing conclusions about the text's messages. To perform a content analysis on any such text, it must first be coded or broken down into manageable categories on a number of levels, including name, word meaning, expression, sentence, or theme, and then analyzed using content analysis.

Conceptual content analysis was employed. The interviewees' perspectives on the impact of strategic management practices on bank performance in Kenya, with a focus on SBM Bank Kenya, was analyzed using content analysis to extract common themes or data from the various responses received. This method ensured that any unanticipated themes in the data are given a chance to appear. The data would then be viewed as a qualitative report in continuous prose. The information gathered was

compared to existing literature to identify areas of consensus and disagreement in order to determine the truth.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis and findings of the study as per the research objective and methodology. The study focused on the effects of strategic management practices on performance of banks in Kenya in reference to SBM Bank Kenya. The study targeted senior management at Kenya SBM Bank including the director of sales and marketing, director of operations, director of supply chains, director of information system, director of customer service, director of finance and director of human resources. The researcher provided narratives that summarized the collective reactions of the interviewees.

4.2 Effects of Strategic Management Practices on Performance of Banks in Kenya

The study sought to establish the effects of strategic management practices on performance of banks in Kenya in reference to SBM Bank Kenya. The researcher was to get 9 interviews out of which a total of 7 interviewees turned up for the interview. This gave a response rate of 77.8% which is within what Mohajan (2018) prescribed as a significant response rate for statistical analysis and established at a minimal value of 50%.

4.3 Strategic Intent

The researcher asked the interviewees to indicate whether the reason for existence of the bank widely was communicated and the strategies used to show this intent. The interviewees indicated that the reason is widely communicated. They indicated that some of the strategies included commissioning right products to maximize stakeholders returns, crafting a wholistic mission and vision statement that is shared to all staff

compliment and clearly displayed to both internal and external prospects, and partnering with other bodies /corporates to support in strategy awareness ,corporate social responsibility and brand ambassadors to increase the banks visibility. Moreover, they indicated that through surveys for employees, desktop background and screen savers using fliers, staff appraisal processes and budgets, workshops, and trainings and KIP (Knowledge Improvement Program) sessions. In addition, they indicated through constant customer engagement on how the bank can partner with us through various products and service.

The interviewees were also required to indicate the importance of the bank making their purpose of existence clear. They indicated that the bank does this to position the bank as a right-fit business partner to its clients; it gives customers sense of security on the bank's continued operations; brand building; to have a bigger competitive advantage from other banks; to improve on their communication and enhance service delivery; to give direction and purpose to its employees in order to work on achieving the bigger organization's goal; to encourage commitment, direction and unity of purpose; and for better understanding of the competition and environment it operates in. The interviewees also added that it was in order for customers to be served better when the organization strengths and focus are known, to avoid costly engagements on matters that are not focused towards its objectivity, to align all stakeholders efforts towards same goal, and to have all their prospects buy in and demistify myths from facts and make all the prospects make informed decisions before engaging the bank on any transactional relationship.

In addition, the interviewees indicated that the stakeholders were aware of the desired future of the bank. They were also required to indicate what inspires the stakeholders by the direction and purpose of the bank. They stated that it was the:

continued growth/achievement of its strategic objectives – profitability, products, servicing, etc., the stakeholders get to have a sense of belonging and ownership by knowing the purpose and direction of the bank, the stakeholders are enlivened by feeling of direction, lucidity of heading and mission and accomplishing the put out objectives, consistency in executing the banks strategy, ability to embrace a digital model that encompasses what is expected in the future, investment in fintech and support of women in business through the SHETRADES formation, and the robust foundation on product proposition models that will make the bank stand out even in the midst of the cut throat competition from other players in the industry.

The interviewees were questioned on what gives the stakeholders a sense of belonging. They indicated that it was the constant engagement of clients, transparency on all products, pricing and unparalleled levels of customer service, town hall meetings with customers on different pillars/sectors e.g. SME, corporate and retail, the needs being met and fulfilled, the comprehensiveness and being associated with choosing course and motivation behind the bank, a sensation of being esteemed concerning their thoughts, being trusted. Other added that when they are involved in the decision making processes, when they are consulted in the bank's day to day operations and how it can be improved, and unlocking value for stakeholders – dividends, sustainable business practice, meeting legal & regulatory requirements.

4.4 Strategic Planning

The interviewees were asked to outline how their bank undertakes strategic planning. They indicated that they do this through identifying opportunities for growth – e.g. SME, Industrial, Agriculture, etc., preparing growth forecasts on a best-worst case scenario, assessing of internal capacity for achievement of strategic plan, a thorough

scanning of the industry it is operating in followed by identification of inherent gaps and their possible mitigation/solution, feasibility study on whether to embark on the varied propositions, cross examination on what budget is expected for the exercise in the event that the stakeholders are agreeable to the proposition, a clear road map on how the strategy will be executed and what resource will be expected to play what role at every stage, and undertaking pilot phase with specific monitoring and evaluation in place to give a margin of adjustment, improvement and elimination where necessary. One interviewee stated:

“Every quarterly, the Bank’s top management and other appointed board members seat down and analyse the current strategic plans and how they are or have worked so far. The board then comes up with new and improved strategies which are then cascaded to the mid-level management and other staff members for implementation and having an end goal of achieving the set targets.”

Another said:

“Top authority and the board accompany the mission, vision and key focal point of the bank and afterward bring it down to the departmental administrators who will foster along with their staff the essential intends to accomplish the mission and vision of the bank.”

The researcher asked the interviewees to state how the bank deals with unforeseen market economic changes that may distort the actualization of the plans. They indicated that the bank adjusts, improves or eliminates unforeseen market economic changes by the monitoring and evaluation team who advise the stakeholders continuously. Moreover, they indicated that the bank continues to survey the plans each quarter to

make changes educated by market and working climate changes, the bank's board members and committee meet quarterly where they strategize and come up with plan of how to maneuver in the market during unforeseen circumstances, stress testing of the strategic plan to identify potential shocks, impact and make mitigation action plans; and acquiring adequate capital planning to absorb unplanned shocks.

The interviewees were also required to state how important the various strategic planning options have been to the bank in response to changes in the operating environment. They indicated that it had been critical as the bank was able to adapt quickly to changes in operating environment, ensuring that adverse impacts are mitigated and opportunities maximised, and it has assisted the bank to save money with fostering a fall back instrument particularly in the unanticipated and testing working climate brought by the Coronavirus pandemic. One interviewee stated:

“When Covid-19 hit in 2020, many organizations had to realise themselves in order to survive in the market. As a Bank, we came up with plans of how to continue serving our customers and keeping our staff safe by ensuring there is no gap in any bank's operation and all departments were well staffed.”

Moreover, the interviewees indicated that all employees' representatives were involved in formulating the strategies to be implemented with most of them having departmental plans. They also indicated that departmental teams come up with various ideas and strategies that may help improve their day to day operations.

4.5 Strategy Evaluation

The respondents were further required to indicate what reviewing strategy process the organization is involved in. The respondents indicated that it includes examining the advancement of the put out objectives and destinations and making the essential changes where vital, looking at the current strategies and how well they are working to achieve the organization's goals, reviewing current performance against strategy; reviewing drivers of current performance & root causes of non-performance; reviewing macro-economic environment to identify any external impacts to strategy, and proposing new approach to achieve strategic goals.

The interviewees were also asked whether the bank considers reviews at the end of each critical path element and end phase. They indicated that every quarterly the top management meet and do a review of the set strategies and analyze the gaps and fall backs that have occurred while implementing those strategic plans and how resolve them. Moreover, the monitoring and evaluation team are in constant review on how the strategy is rolled out, regularly feedback and adjustments are made along the way. At the end of the exercise, a total review is done and an evaluation of what was done right, wrong or complacently is discussed for adoption, improvement or elimination. Also learning at the end of any critical project/initiative are important to inform the execution of future plans.

The respondents were asked to give the extent to which strategies have been applied and achieved through profit margins. They indicated that the strategies have been greatly applied and achieved through profit margins to an extraordinary reach out in choppy circumstances such as presently, essential administration capacities is basic to the achievement of the bank in conveying in financial plans and put out objective, in setting of budgets and financial plans for the

organization, and to drive/determine profitability, and profit margins are forecasted across each strategic thrust where applicable.

The interviewees also indicated that ROI targets have been determined across the various classes of business and that they have quarterly financial plan and key surveys that are basic in revising regions that are missing behind. Further, the interviewees were to indicate how the bank ensures goals are consistent with the organization's overall strategic direction. They indicated that they reviewed performance on a monthly, quarterly, half yearly and end of year. They also used a balanced scorecard approach that ties the goals with the overall strategy for the organization, and carry out individual assessments which assist in measuring up the individual goals and strategies which to be alone to the overall organization's goals.

4.6 Environmental Scanning

The interviewees also indicated that the bank conducts environmental analysis during formulation of strategic plans. They do this by conducting feasibility studies on the environment where it operates in, the social economic and geopolitical factors affecting the area of concern, through full scale financial exploration and investigation and industry contender examination, through published records of other banks in the industry, by carrying out of researches and analysis of the competitors' markets, and by using the PESTEL approach.

From the interviews, the study establishes that the bank engages in environmental scanning by conducting quarterly reviews through SWOT analysis, and PESTEL approach. Also, the interviewees were asked to indicate why it was important for the bank to conduct effective environmental scanning activities. They indicated that an adverse environment will not let any business thrive, in light of the fact that it gives

data and information on factors that will influence the bank and subsequently permits the bank executives to proactively react to these elements, and the banking/ financial services sector is rapidly changing, prone major economic impacts – hence important to note the key potential impacts to strategy using environmental scanning, and it helps in having a competitive edge and ensuring growth. One interviewee indicated:

“By conducting environmental scanning, the bank is able to identify gaps within the industry that they can invest in and have a competitive advantage over other banks in the market.”

The interviewees were asked to also indicate what the bank does to keep pace with customers changing needs and requirements. They indicated that they do constant need analysis/assessment and flexibility to change, regular town hall meetings with clients to listen to their needs, invest in fintech which is the order of future banking, constant research on product proposition to meet the dynamic nature of financial institutions, and direct customary client experience studies. One interview said:

“We have a very engaging customer experience team that interacts with our customers and get to understand their banking needs and wants. Through that team, we get to come up with strategies and way of implementing these strategies in order to meet these needs.”

Moreover, the interviewees were required to indicate how managers ensure that the strategy is consistent with conditions in the competitive environment. They indicated that through continuous measurement of strategy – performance and alignment of initiatives vs. strategic plan, ensuring that all the staff are performing and working towards achieving the bank’s goals in order to have a competitive edge in the market, by continually checking execution against the set targets and continually

being aware of the happenings in the business and contender moves, benchmarking with similar players in the industry, and adjusting with the change in the competitive environment.

4.7 Strategy Control

The researcher asked the interviewees to indicate how the bank enhances communication of information about organizational change before and after about organizational developments. They indicated that through active staff engagement using KIP sessions, promotion of sensitization activities through champions, communication by CEO, HR and Marketing by means of email and Town halls/Conference calls where need be, by sharing bulletins and newsletters, use of brand ambassadors and change champions in the bank, and by outsourcing expert corporates to pass information. One of them noted:

“We have our marketing department that is tasked in ensuring all communication is delivered on time to staff and to our customers.”

The interviews also indicated that target deriving from the objectives of the bank is mutually developed. Further, actual level of execution of activities monitored was done on a quarterly basis and stakeholders continuously appraised their level of execution of activities. The respondents were also required to indicate the timely corrective measures undertaken to address any shortcoming identified. They stated that they use PIP (Performance Improvement Plans), support from line managers, teamwork involvement to support in marketing, closing deals and market activation to improve on target actualization, through mentorship, trainings and instructing for colleagues, audit of focuses in accordance with changing environment, through weekly KIP sessions to keep all staff informed on the

organizations products, monthly evaluation sessions by managers on performance, review/challenging of initiatives that support the strategy plan, and additional resourcing.

4.8 Strategic Management Practices and Performance of Commercial Banks

The respondents were asked to indicate other strategic management practices they would recommend their corporation to adopt to improve its performance. They indicated that they could improve on incentives for unlocking strategy drivers e.g. performance based bonus, include mid-level staff and management in some decision making processes and strategy formulations, fulfil, acknowledge and inspire execution, perform constant appraisals of the business, and have self-aware objective setting and advancements.

The interviewees also indicated that the strategic management practices results in reduction in turn-around time. They indicated this was through a well understood process with a clear objective is easily executed in good time than one with a labyrinth of confusion and lack of clear objective, clear direction of where the organization is at the moment and where it needs to be in the future, and it enables business and staff to focus only on those activities that will ultimately drive the strategy.

Moreover, the interviewees were required to indicate how strategic management practices have affected the speed of response to customers' issues. They stated that customer satisfaction is one of the key pillars that support achievement of strategic outcomes, through proper planned strategic management practices; the bank is able to achieve a good turnaround time in serving its customers, and improved speed.

Also, the interviewees were to indicate how strategic management practices influence cases of customer complaints. They indicated that customer complaints are an indicator of level of customer satisfaction, and assists coming up with faster resolutions to customer complains. One of them indicated:

“A clear process of complaint resolution and agreed service level agreement is well crafted to ensure open cases are resolved and closed in good time. If not, they are escalated in record time for higher decision makers to chip in and help close. It has influenced complaints resolution positively.”

The researcher also asked the respondents to state the firm's sales growth relative to the competitors in the past five years. They indicated that the business has grown above the average industry growth in the last five years, and the sales growth has had a great positive projection that has seen the firm at a pole position compared to the competitors. One interviewee stated:

“Having been in the Kenyan market for only 4 years, SBM bank has made tremendous growth by acquiring two banks within this time period and stabilizing in the very expansive Kenyan market. We have managed to penetrate in the market and retain existing customers and while acquiring new ones with a market growth of about 15% within this time period.”

Another said:

“Having begun in Kenya in 2017, SBM is barely 5 years in Kenya. Additionally having procured two striving banks it needed to settle business first, which makes correlation with contenders not sensible. In

any case, we have seen generally 20% year on year deals development relative.”

4.9 Discussion of Results

This research sought to establish the effects of strategic management practices on performance of banks in Kenya in reference to SBM Bank Kenya and compare the results with those of other scholars. This section therefore entails literature discussions on the findings of each variable.

The study found that the strategies used in the banks included commissioning right products to maximize stakeholders returns, crafting a holistic mission and vision statement that is shared to all staff compliment and clearly displayed to both internal and external prospects, and partnering with other bodies /corporates to support in strategy awareness, corporate social responsibility and brand ambassadors to increase the banks visibility. The results correlate with Suominen, Kelly, and Goeuriot (2019) argue that it is a sustained focus with winning at each level of a firm and that can be maintained for very long time. It's a win-at-all-costs mentality that ignores the constraints imposed by available resources and capabilities. Strategic intent, according to Davis (2019), is critical to a firm's long-term survival, particularly for those aspiring to global leadership.

The study also found that the bank made their purpose of existence clear so as to position the bank as a right-fit business partner to its clients; to give customers sense of security on the bank's continued operations; brand building; to have a bigger competitive advantage from other banks; to improve on their communication and enhance service delivery; to give direction and purpose to its employees in order to work on achieving the bigger organization's goal; to encourage commitment, direction

and unity of purpose; and for better understanding of the competition and environment it operates in. The findings are in line with Holotiuk and Beimborn (2017) who state that strategic intent should express future expectations without elaborating on the methods that will be adopted to realize those goals. It is consistent over time and establishes objectives that require personal initiative and dedication. It is a vision that determines the organization's preferred leadership role and establishes the metrics by which performance will be measured.

The study established that bank undertook strategic planning through identifying opportunities for growth – e.g. SME, Industrial, Agriculture, etc., preparing growth forecasts on a best-worst case scenario, assessing of internal capacity for achievement of strategic plan, a thorough scanning of the industry it is operating in followed by identification of inherent gaps and their possible mitigation/solution, and conducting a feasibility study on whether to embark on the varied propositions, cross examination on what budget is expected for the exercise in the event that the stakeholders are agreeable to the proposition. This is in accordance with Pambreni, Khatibi, Azam, and Tham (2019) who asserted that the interest in strategy arose from the comprehension that a company required a properly described scope and growth trajectory, not mainly extrapolating past success to project into the future.

Also, the study found that the bank deals with unforeseen market economic changes that may distort the actualization of the plans by: continuing to survey the plans each quarter to make changes educated by market and working climate changes, the bank's board members and committee seat quarterly where they strategize and come up with plan of how to manoeuvre in the market, and stress test the strategic plan to identify potential shocks, impact and make mitigation action plans; and acquiring adequate

capital planning to absorb unplanned shocks. This concurs with Dyczkowska and Dyczkowski (2018) who asserts that businesses that are strategically run have greater alignment and financial results than those that are not.

The study found that the firm was involved in the following viewing strategy processes: examining the advancement of the put out objectives and destinations and making the essential changes where vital, looking at the current strategies and how well they are working to achieve the organization's goals, reviewing current performance against strategy; reviewing drivers of current performance & root causes of non-performance; reviewing macro-economic environment to identify any external impacts to strategy, and proposing new approach to achieve strategic goals. This is agreement with Corte, D'Andrea and Del Gaudio (2017) who stated that strategy assessment becomes an important method and metric for determining an organization's strategic role. This allows management to ensure that the organization is on the right track and that corrective action is taken when necessary.

The study also found the strategies have been greatly applied and achieved through profit margins to an extraordinary reach out in choppy circumstances such as presently, essential administration capacities is basic to the achievement of the bank in conveying in financial plans and put out objective, in setting of budgets and financial plans for the organization, and to drive/determine profitability, and profit margins are forecasted across each strategic thrust where applicable. The findings are supported by Alexy, West, Klapper and Reitzig (2018) who noted that management must review its plans against results on a regular basis, so that any suggestion that the organization is struggling to meet its goals necessitates corrective action. Aside from goal-setting and

motivation, strategy assessment is needed to provide details about how one's success compares to peers and other benchmarks.

The study also found that managers ensure that the strategy is consistent with conditions in the competitive environment through continuous measurement of strategy – performance and alignment of initiatives vs. strategic plan, ensuring that all the staff are performing and working towards achieving the bank's goals in order to have a competitive edge in the market, by continually checking execution against the set targets and continually being aware of the happenings in the business and contender moves, benchmarking with similar players in the industry, and adjusting with the change in the competitive environment. Soltani, Zareie, Milani and Navimipour (2018) agree with the results that corporate leaders base their firms' pursuit of business opportunities not only on the nature of external opportunities, but also on a thorough understanding of their company's competitive advantages derived from internal capital, expertise, and skills.

The study also found that the bank enhances communication of information about organizational change before and after about organizational developments through active staff engagement using KIP sessions, promotion of sensitization activities through champions, communication by CEO, HR and Marketing by means of email and Town halls/Conference calls where need be, by sharing bulletins and newsletters, use of brand ambassadors and change champions in the bank, and by outsourcing expert corporates to pass information. The findings are in line with Arogo (2018) who emphasizes that when developing organizational strategies, the importance of keeping strategy control in mind. Indeed, strategy control practices are used to assess how well company operations, policies, and environmental factors are aligned.

Furthermore, strategy control ensures that operations in different business units are integrated.

The study established that this was through a well understood process with a clear objective is easily executed in good time than one with a labyrinth of confusion and lack of clear objective, clear direction of where the organization is at the moment and where it needs to be in the future, and it enables business and staff to focus only on those activities that will ultimately drive the strategy. Nyanaro and Bett (2018) sought to investigate the effects of strategic planning on financial performance of Barclays Bank, Kenya Limited as a representative of other commercial banks in Kenya. The study was anchored on the Resource-based view theory which was similar to the current study. The study reasoned that administrative factors decidedly influences the monetary execution of chose banks and that there was a solid positive connection between directors helping their staff create themselves, administrators controlling their staff on the best way to do their work keeping in mind the end goal to be remunerated. Authoritative components influence budgetary profundity and access to money related administrations more than resource quality and productivity in chose banks of Kenya.

The study found that strategic management practices results in reduction in turn-around time. Nyakwana and Atambo (2017) investigated the Kisii County Government in Kenya to learn more about strategic planning and implementation activities. However, they used game theory that entails the study of strategic decision making whereby individuals or organization can counter one another while competing. It involves the identification of the most effective and

appropriate set(s) of strategies for effective managerial decision making. In game theory, decision making processes involve several players making choices that potentially affect the interests of other players; to the advantage of the strategy executer. In management, if a player makes a decision that outwits the competitor, it will certainly place the executor at a strategic advantage.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary, conclusion drawn from the findings highlighted and recommendation made there-to. The conclusions and recommendations drawn are focused on addressing the objective of the study.

5.2 Summary of the Study

The study found that the strategies used in the banks included commissioning right products to maximize stakeholders returns, crafting a holistic mission and vision statement that is shared to all staff compliment and clearly displayed to both internal and external prospects, and partnering with other bodies /corporates to support in strategy awareness, corporate social responsibility and brand ambassadors to increase the banks visibility. The study also found that the bank made their purpose of existence clear so as to position the bank as a right-fit business partner to its clients; to give customers sense of security on the bank's continued operations; brand building; to have a bigger competitive advantage from other banks; to improve on their communication and enhance service delivery; to give direction and purpose to its employees in order to work on achieving the bigger organization's goal; to encourage commitment, direction and unity of purpose; and for better understanding of the competition and environment it operates in.

The study established that bank undertook strategic planning through identifying opportunities for growth – e.g. SME, Industrial, Agriculture, etc., preparing growth forecasts on a best-worst case scenario, assessing of internal capacity for achievement of strategic plan, a thorough scanning of the industry it is operating in followed by

identification of inherent gaps and their possible mitigation/solution, and conducting a feasibility study on whether to embark on the varied propositions, cross examination on what budget is expected for the exercise in the event that the stakeholders are agreeable to the proposition. Also, the study found that the bank deals with unforeseen market economic changes that may distort the actualization of the plans by: continuing to survey the plans each quarter to make changes educated by market and working climate changes, the bank's board members and committee meet quarterly where they strategize and come up with plan of how to manoeuvre in the market, and stress test the strategic plan to identify potential shocks, impact and make mitigation action plans; and acquiring adequate capital planning to absorb unplanned shocks.

The study found that the firm was involved in the following viewing strategy processes: examining the advancement of the put out objectives and destinations and making the essential changes where vital, looking at the current strategies and how well they are working to achieve the organization's goals, reviewing current performance against strategy; reviewing drivers of current performance & root causes of non-performance; reviewing macro-economic environment to identify any external impacts to strategy, and proposing new approach to achieve strategic goals. The study also found the strategies have been greatly applied and achieved through profit margins to an extraordinary reach out in choppy circumstances such as presently, essential administration capacities is basic to the achievement of the bank in conveying in financial plans and put out objective, in setting of budgets and financial plans for the organization, and to drive/determine profitability, and profit margins are forecasted across each strategic thrust where applicable.

The research found that the bank conducts environmental analysis during formulation of strategic plans. They do this by conducting feasibility studies on the environment where it operates in, the social economic and geopolitical factors affecting the area of concern, through full scale financial exploration and investigation and industry contender examination, through published records of other banks in the industry, by carrying out of researches and analysis of the competitors' markets, and by using the PESTEL approach. The study also found that managers ensure that the strategy is consistent with conditions in the competitive environment through continuous measurement of strategy – performance and alignment of initiatives vs. strategic plan, ensuring that all the staff are performing and working towards achieving the bank's goals in order to have a competitive edge in the market, by continually checking execution against the set targets and continually being aware of the happenings in the business and contender moves, benchmarking with similar players in the industry, and adjusting with the change in the competitive environment.

The study also found that the bank enhances communication of information about organizational change before and after about organizational developments through active staff engagement using KIP sessions, promotion of sensitization activities through champions, communication by CEO, HR and Marketing by means of email and Town halls/Conference calls where need be, by sharing bulletins and newsletters, use of brand ambassadors and change champions in the bank, and by outsourcing expert corporates to pass information.

The study found that the strategic management practices results in reduction in turn-around time. The study established that this was through a well understood process with a clear objective is easily executed in good time than one with a labyrinth of

confusion and lack of clear objective, clear direction of where the organization is at the moment and where it needs to be in the future, and it enables business and staff to focus only on those activities that will ultimately drive the strategy.

5.3 Conclusion of the Study

The study deduced that strategic intent affects performance of banks. In this case, it's important for management of SBM bank to entrench and foster activities and practices associated establishing strategic intent for the organization. These activities and practices revolve around formulation of vision, mission, objectives and policies.

The study concluded that within the strategic planning aspects the management of internal environment and carrying of assessment of the formulated strategies has a key influence on the performance of the banks.

The study also concluded that that proper scanning of the environment is undertaken in order to enhance the ability of the organization to optimize and leverage on strategic choices. Sound practices on environmental analysis aid the bank in establishing a good match amongst the strategic choice and all its institutional factors.

The study further concluded that increase in the strategy control activities are likely to lead to the organizational performance of the banks. Amongst the key aspects of the strategy implementation aspects that will lead to strategy implementation include communication levels on implemented strategies and supermarket evaluation of the implementation capacities of various strategies.

The study made a conclusion that strategy evaluation influenced the organizational performance of the banks. An increase in the strategy evaluation would lead to an improvement in the organizational performance of the banks. Amongst the key strategy evaluation mechanisms is the identification of the opportunities for supermarkets to venture into or capitalize in. The study concludes that the banks' scanning of the business environment is a key component of the organizational performance.

5.4 Implications of the Study

As a strategic management practice, the study revealed that SBM Bank Kenya reviews strategic management decisions. This depends on the dynamics of the market or changes in policies governing the banks operations. This may force the bank to review its strategic management decisions to align itself with the changes. This implies that SBM Bank Kenya does not limit itself to the theory but allows for flexibility to amend its strategies in response to the changes in the environment.

SBM Bank Kenya should embrace learning as key requirement for managers for any effective and lasting change to occur. Banks should use knowledge and value based changes to improve their problem solving ability and capabilities.

5.5 Recommendations of the Study

The study recommends that top management in banks to ensure that they support any implementation taking place in the organization. This can be achieved by them showing their commitment toward the implementation process.

The study also recommends management of banks to always offer directions that can guide the implementation process to ensure its success.

In addition, it is the responsibility of top managers in the organization to direct its employees to ensure strategy implementation is successful. Increasing strategic communication results to improved performance. The study recommends banks to embrace effective and efficient forms/channels of communication. It is also important for top managers and other supervisors to ensure that they provide immediate/timely feedback; this will facilitate successful implementation of set strategies which in return ensures improved organizational performance.

Increase in strategic evaluation results to an increase in performance of banks in Kenya. The study therefore recommends managements of commercial banks in Kenya to ensure that they have collected enough information on the progress of strategic plans. This can be achieved by them having benchmarks on other successfully implemented strategies and use this information to assess where change is needed. The study also recommends the management of banks to conduct frequent internal audits; this will help the bank to see its progress and also the information obtained from the audit can be used to make informed decisions.

An increase in strategic change results to an increase in performance of commercial banks. The study therefore recommends management of commercial banks to conduct due diligence to establish which change can best suit its organization. The study recommends the adoption of new technology which will enhance performance by ensuring efficiency and effectiveness in service provision and could also lower operational costs. It is also important for the

organization to embrace the best form of leadership; one that will encourage effective performance of employees within the organization.

The study recommended the SBM Bank and organizations in general, should embrace the use of strategic management practices as a tool and a concept to be used in achieving organizational performance. The study recommends that the management of the banks should place particular emphasis on the strategy planning, strategy control and strategy evaluation in order to improve on the organizational performance of the banks. The management should in particular focus on management of internal environment and carrying of assessment of the formulated strategies has a key influence on the performance of the banks. The management of the banks should further enhance their communication levels on implemented strategies and bank evaluation of the implementation capacities of various strategies.

5.6 Limitations of the Study

A number of limitations were experienced in this study, for example resistance from some SBM Bank senior management primarily because they were suspicious of the study intentions. The researcher assured them of their anonymity and that the findings would be used purely for academic purposes. This was also overcome by providing an introduction and authority letter from the university.

Further, the results of the study were limited to the extent to which the respondents were willing to provide accurate, objective and reliable information. The researcher checked for consistency and test the reliability of the data collected.

Qualitative information was used to collect data. However, due to the countries' guidelines on measures to avoid gatherings to limit spread of COVID 19, the researcher ensured that the protocols for COVID-19 pandemic were followed and made sure the interviews took place in a well-ventilated surrounding, observed social distancing, wore a mask and sanitized.

5.7 Areas of Further Research

The main objective of this study was to establish the effects of strategic management practices on performance of banks in Kenya in reference to SBM Bank Kenya. This was a case study; there is therefore need for other studies to be conducted in other commercial banks to facilitate comparison as well as generalization of the research findings. The study also used interviews only for data collection therefore inferential statistics were adopted; other study should consider adopting a questionnaire and inferential statistics. The study also recommends a study to be conducted using other strategies not studied like budgeting and resource allocation etc.

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APPENDICES

Appendix I: Introduction Letter

Dear Respondent,

RE: PERMISSION TO CONDUCT A RESEARCH PROJECT STUDY.

I am Elizabeth Serea Koikai, a final year Master of Business Administration at the University of Nairobi. The primary purpose of this letter is to request permission to perform a research project report. I am interested in finding out the *EFFECT OF STRATEGIC MANAGEMENT PRACTICES ON PERFORMANCE OF COMMERCIAL BANKS IN KENYA: A CASE STUDY OF SBM BANK KENYA.*

The details you provide will be kept in strict confidence and used solely for the purposes of this report. Thank you very much for your assistance.

Yours faithfully,

ELIZABETH SEREA KOIKAI

Appendix II: Interview Guide

1. Is the reason for existence of the bank widely communicated? If so, what are some of the strategies used to show this intent?
2. What is the importance of the bank making their purpose of existence clear?
3. Are the stakeholders aware of the desired future of the bank?
4. What inspires the stakeholders by the direction and purpose of the bank?
5. What gives the stakeholders a sense of belonging?
6. Briefly outline how your bank undertakes strategic planning?
7. How does the bank deal with unforeseen market economic changes that may distort the actualization of the plans?
8. How important has the various strategic planning options been to your bank in response to changes in the operating environment?
9. Were all employees representatives involved in formulating the strategies to be implemented?
10. Does the bank create a planning committee during strategic planning?
11. In your organization, what does reviewing strategy process involve?
12. Does your bank consider reviews at the end of each critical path element and end phase?
13. What is the extent to which strategies have been applied and achieved through profit margins?
14. Does your bank establish the extent to which strategies have been applied and achieved by the return on investments?
15. In evaluating strategy in the organization, how does your bank ensure goals are consistent with the organization's overall strategic direction?
16. Do you conduct environmental analysis during formulation of strategic plans?

17. How much does your bank engage in environmental scanning?
18. Why is it important for your bank to conduct effective environmental scanning activities?
19. What does your bank do to keep pace with customers changing needs and requirements?
20. How do managers ensure that the strategy is consistent with conditions in the competitive environment?
21. How does your bank enhance communication of information about organizational change before and after about organizational developments?
22. Is target deriving from the objectives of the bank mutually developed?
23. How often is actual level of execution of activities monitored?
24. Are stakeholders continuously appraised on their level of execution of activities?
25. What timely corrective measure are undertaken to address any shortcoming identified?
26. What other strategic management practices would you recommend your corporation to adopt to improve its performance?
27. Do the strategic management practices results in reduction in turn-around time?
28. How have strategic management practices affected the speed of response to customers issues?
29. How do strategic management practices influence cases of customer complaints?
30. In the past five year, what has the your firm's sales growth relative to your competitors?

Thank you for participating

Appendix III: UON Letter to Respondents



UNIVERSITY OF NAIROBI FACULTY OF BUSINESS AND MANAGEMENT SCIENCE

Telephone: 020-8095398
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsities
Our Ref: **D61/11055/2018**

Tel: 020 8095398
Nairobi, Kenya

12th August, 2021


TO WHOM IT MAY CONCERN

The bearer of this letter, **Elizabeth S. Koikai** of Registration Number **D61/11055/2018** is a Master of Business Administration (MBA) student of the University of Nairobi.

She is required to submit as part of her coursework assessment a research project report. We would like the student to do her project on **strategic management practices and performance of commercial banks in Kenya**. We would, therefore, appreciate if you assist him by allowing her to collect data within your organization for the research.

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

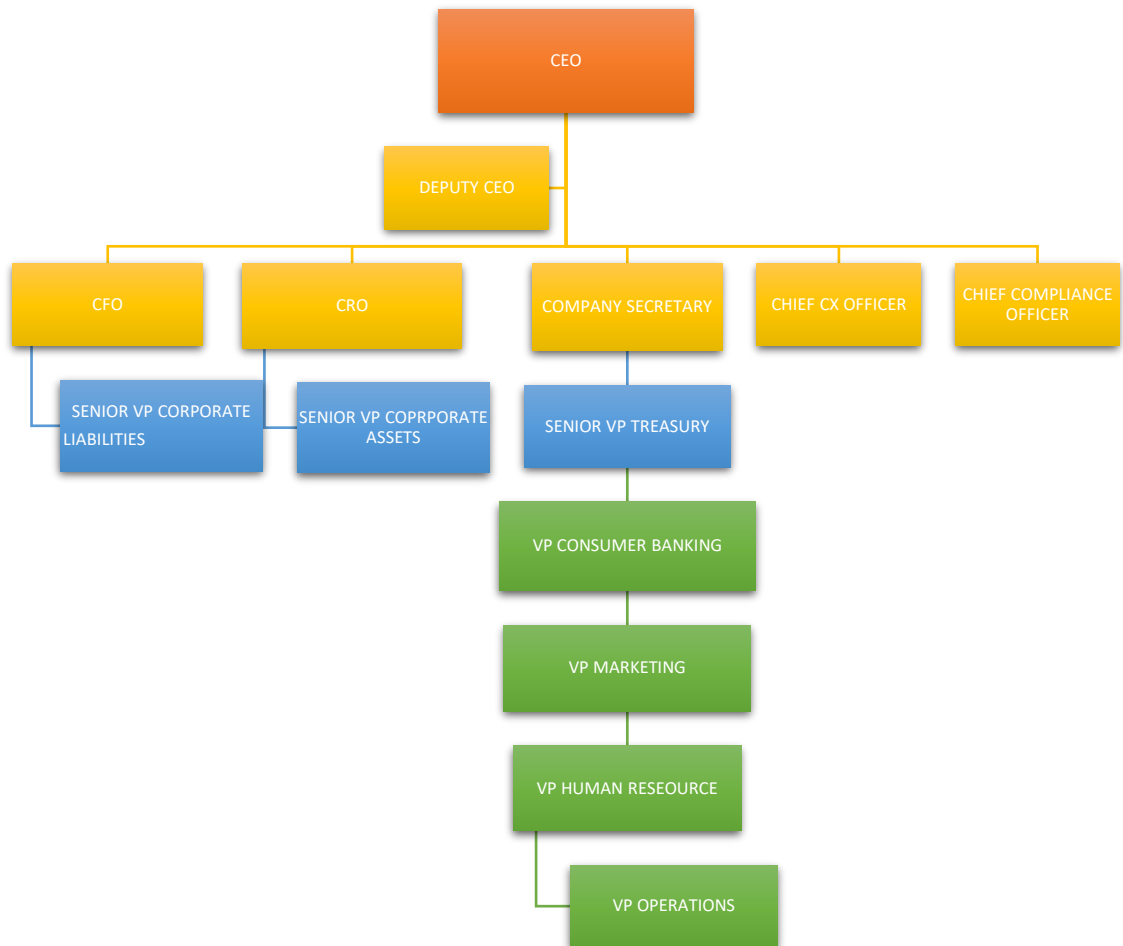
Thank you.


PHILIP NGIGI

Deans Office
University of Nairobi
School of Business
P. O. Box 10197 - 00100
Nairobi

FOR: Executive Dean, Faculty of Business and Management Science


Appendix IV: Organizational Chart




Appendix V: Research Budget

NO	ITEM	DESCRIPTION	QNTY	RATE	TOTAL (KSH)
A) TOOLS AND MATERIALS					
1	Biro Pens		15	20.00	300.00
2	Pencils	Steindler Pencil	15	30.00	450.00
3	Foolscaps	Ream	3	500.00	1,500.00
4	Photocopy papers	Ream	4	500.00	2,000.00
5	Box File		3	500.00	1,500.00
6	Clip board		2	200.00	400.00
7	Paper Punch		1	300.00	300.00
8	Stapler		1	400.00	400.00
B) RESEARCH SERVICES					
10	Internet Services	Monthly	5	2,000.00	10,000.00
11	Telephone airtime	Monthly	5	1,000.00	5,000.00
12	Photocopying cost	Monthly	3	2,500.00	7,500.00
13	Printing cost	Monthly	3	3,000.00	9,000.00
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