

**STRATEGIC MANAGEMENT PRACTICES AND PERFORMANCE OF KCB IN  
NAIROBI KENYA**


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DECLARATION

The proposal is my original work and has not been presented for a degree in any other University or for any other award.

Signature  .....Date : 22nd April 2025

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I confirm that the work reported in this proposal was carried out by the candidate under my/our supervision

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## DEDICATION

I dedicate this work to my wife Pauline whose unshakable faith in me gave me strength to undertake my post graduate studies.



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I wish to thank God the Almighty for his blessings this far. My gratitude goes to my supervisor Dr. Francis Kijogi, MKU research lecturer Dr Ruth Thinguri, my fellow students and Mount Kenya University for their diligent support and guidance in ensuring that I produce good quality research report. I also wish to thank my family for the continued support and understanding.



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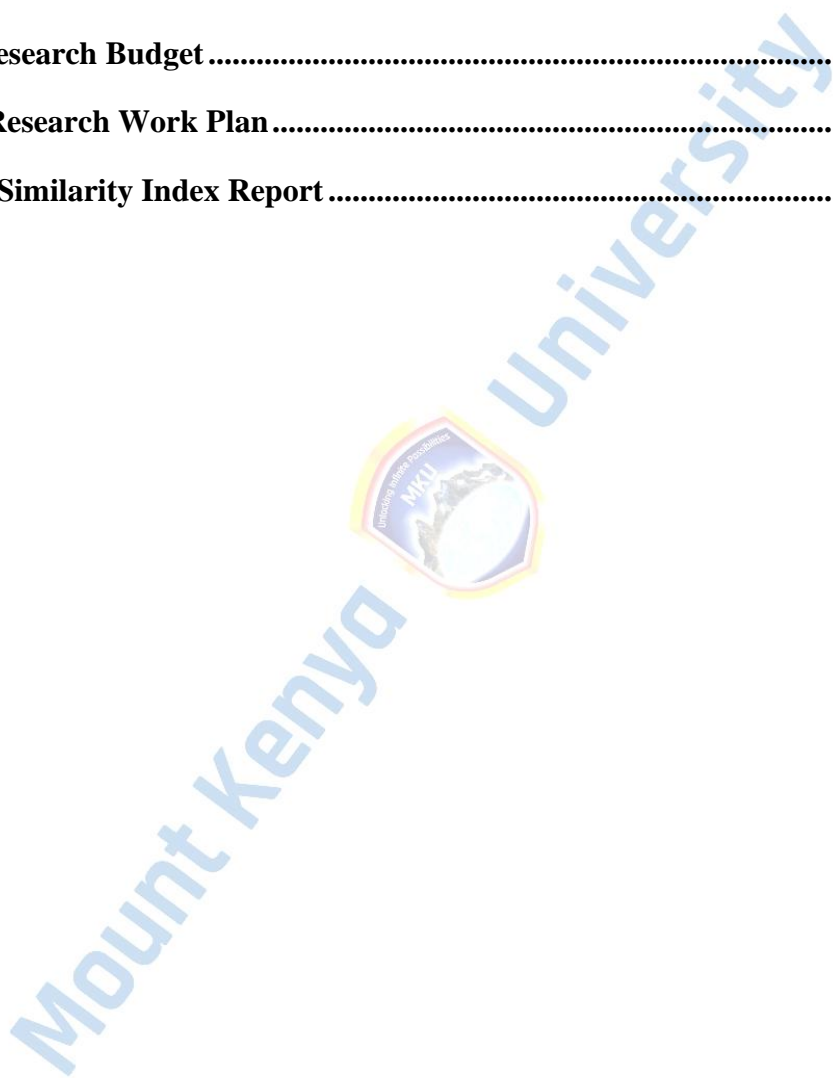
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## LIST OF ABBREVIATIONS AND ACCRONYMS

<b>CBD</b>	Central Business District
<b>CBK</b>	Central Bank of Kenya
<b>KCB</b>	KCB Group
<b>NACOSTI</b>	National Council of Science Technology and Innovation
<b>RBV</b>	Resource Based View
<b>SMEs</b>	Small and Medium Enterprises
<b>SPSS</b>	Statistical Package for Social Sciences



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## ABSTRACT

Strategies drive organization performance with an aim of achieving its vision. Today's business environment is rapidly changing and most organizations try to embrace flexible and process enhancement strategies to guarantee responsiveness of the firm concerning change. This study sought to examine the impact of strategic management practices on the performance of KCB. Specifically, it sought to evaluate the influence of strategy formulation, implementation, evaluation, and control on organizational performance. The total target population comprised of 139 employees including 27 senior management, 43 middle-level managers and 69 functional-level managers working at the Bank's Kencom Branch, Nairobi CBD. Due to the small nature of the target population, a census sampling technique was employed to ensure comprehensive data collection. Using a descriptive research design, data was collected from 121 respondents through structured questionnaires and analyzed using statistical techniques, including regression analysis. The study was guided by three theories which included Resource-Base View theory, stakeholder theory and game theory. Findings reveal that all four strategic management practices significantly influence KCB's performance. Strategy formulation had the highest impact ( $\beta = 0.312$ ), indicating that well-defined strategic planning enhances overall performance. Strategy implementation ( $\beta = 0.295$ ) was also critical, highlighting the importance of resource allocation and communication in achieving organizational goals. Strategy evaluation ( $\beta = 0.278$ ) and strategy control ( $\beta = 0.265$ ) further contributed to performance by ensuring continuous monitoring and corrective actions. The model yielded an  $R^2$  of 59.1%, confirming that strategic management practices explain a substantial portion of performance variation at KCB. The study concludes that effective strategic management is essential for sustained growth and competitiveness in the banking sector. It recommends that KCB enhance its strategic planning, implementation, and control measures to adapt to dynamic market conditions. These findings provide valuable insights for policymakers, banking executives, and researchers on optimizing strategic management for improved organizational performance.

## **CHAPTER ONE**

### **1.0 INTRODUCTION**

In today's quickly changing business environment, strategic management is essential in determining an organization's performance and competitiveness. Effective strategic management methods are more important than ever as businesses deal with previously unheard-of difficulties such as shifting customer habits, technological disruptions, and global economic volatility. With an emphasis on KCB, one of the country's top financial institutions, this chapter provides background information for understanding the strategic management techniques used by businesses.

The importance of strategic management extends beyond mere survival; it is essential for fostering innovation, enhancing operational efficiency, and achieving sustainable growth. In an increasingly interconnected world, organizations must navigate complex dynamics and leverage strategic frameworks that enable them to adapt and thrive. This chapter will explore the conceptual foundations of strategic management, highlighting its significance in guiding organizations toward achieving their goals and responding effectively to external pressures.

In addition to the global perspective on strategic management, this chapter will delve into the unique context of Africa and, more specifically, Kenya. The African continent presents both challenges and opportunities for strategic management, characterized by diverse market dynamics, varying regulatory environments, and socio-economic factors that influence organizational behavior. In this regard, KCB is a useful case study since it shows how strategic management approaches may be adapted to local conditions while still following international standards.

By outlining the study's goals and research questions, this chapter intends to provide a thorough review of the strategic management environment. The purpose of this study was to add to the existing body of information on strategic management techniques and organizational performance in order to better inform decision-making and improve strategic results in many industries, including banking.

## 1.1 Background to the Study

Strategic management is a vital discipline that enables organizations to formulate, implement, and evaluate decisions aimed at enhancing performance and achieving long-term objectives. It encompasses a variety of processes designed to align resources and capabilities with market opportunities, ultimately driving organizational success (Kumar & Gupta, 202). Empirical evidence consistently indicates that effective strategic management practices are closely linked to improved performance metrics, such as profitability, market share, and operational efficiency (Kumar & Gupta, 2021; Smith, 2022). As businesses increasingly face dynamic challenges, including technological disruption and global competition, the role of strategic management in fostering resilience and adaptability becomes paramount.

Globally, the significance of strategic management is underscored by numerous studies illustrating its impact on organizational performance. For instance, Wang *et al.* (2023) found that firms employing structured strategic planning frameworks experienced an average increase of 20% in profitability compared to those without such frameworks. High-profile companies like Apple and Google have demonstrated how integrating strategic management into their innovation processes not only leads to sustained competitive advantages but also results in superior performance outcomes (Johnson & Lee, 2022). This trend highlights the critical role of strategic management in helping organizations navigate an increasingly complex and rapidly evolving global landscape.

In developed nations, strategic management is often regarded as a fundamental driver of organizational success, enabling effective resource allocation and the establishment of competitive advantages. For instance, Johnson and Lee (2022) analyzed Fortune 500 companies in the United States and discovered that firms with robust strategic management frameworks experienced an average revenue growth of 18% over five years. This correlation was particularly pronounced among technology companies, where agile strategic practices facilitated rapid adaptations to market dynamics and evolving consumer preferences. Companies such as Microsoft and Apple exemplify this trend; their focus on innovation-driven strategies has allowed them to retain significant market shares and high profitability, reinforcing the idea that strategic management plays a critical role in enhancing organizational performance (Johnson & Lee, 2022).

In Europe, the integration of sustainability into strategic management practices has also yielded considerable benefits (Johnson & Lee, 2022). Research by Schmidt and Müller (2023) highlights

that German firms in the manufacturing sector, including Siemens and Bosch, have embraced strategic models that prioritize sustainability alongside profitability. These companies reported a 25% increase in operational efficiency following the implementation of strategic sustainability initiatives. Additionally, the European Union's Green Deal has encouraged organizations across the continent to align their strategic goals with environmental regulations, resulting in improved performance metrics and enhanced corporate reputations (Hoffman & Becker, 2024). This evidence underscores that in developed nations, strategic management extends beyond financial metrics, increasingly prioritizing sustainable practices and demonstrating a comprehensive approach to performance management.

In the Asia-Pacific region, countries such as Japan and South Korea illustrate the effectiveness of strategic management in promoting innovation and enhancing global competitiveness. Tanaka and Yamada (2024) found that Japanese companies like Toyota and Sony utilize strategic management frameworks to streamline product development cycles and minimize time-to-market. This has resulted in significant technological advancements, with Toyota reporting a 30% improvement in production efficiency through the adoption of lean management principles. Similarly, South Korean firms such as Samsung have implemented strategic innovation management practices, leading to a reported 20% increase in market share within two years (Kim & Park, 2023). These examples highlight that strategic management is not only vital for sustaining performance in developed nations but also crucial for fostering innovation and maintaining competitive advantages in an increasingly globalized market.

In Africa, strategic management practices are increasingly recognized as essential for enhancing organizational performance and fostering economic growth. Companies in Nigeria, particularly in the telecommunications sector, have adopted strategic management frameworks to navigate regulatory challenges and competitive pressures (Ofori and Kyei, 2023). For instance, MTN Nigeria implemented a comprehensive strategic plan that focused on customer engagement and technological innovation, resulting in a 15% increase in market share over three years. This empirical evidence underscores the importance of strategic management as a tool for driving performance and achieving competitive advantages in rapidly evolving markets. As organizations face increasing competition and regulatory scrutiny, the effective application of strategic management practices becomes critical for sustaining growth.

In East Africa, countries like Uganda have also embraced strategic management to enhance organizational effectiveness. Banks employing strategic management practices in Uganda, such as performance measurement and risk assessment, significantly outperformed their competitors (Ndung'u and Mutiso, 2024). For instance, Stanbic Bank's adoption of strategic planning led to a 20% increase in its customer base and notable improvements in operational efficiency. This trend indicates that strategic management is vital not only for immediate performance gains but also for long-term sustainability in the African business landscape (Ndung'u and Mutiso, 2024). As organizations adapt to shifting economic conditions and consumer expectations, the integration of strategic management practices proves essential for maintaining competitiveness.

Furthermore, in Southern Africa, companies in South Africa are increasingly leveraging strategic management to drive transformation and address socio-economic challenges. Organizations in sectors like mining and manufacturing are implementing strategic initiatives focused on corporate social responsibility (CSR) alongside profit maximization (Moyo and Dube, 2023). For example, companies such as Sasol have integrated sustainability into their strategic frameworks, resulting in enhanced community relations and a 10% reduction in operational costs (Moyo and Dube, 2023). This empirical evidence suggests that the application of strategic management in African nations not only contributes to performance improvement but also fosters a more inclusive approach to business that aligns with broader societal goals. By emphasizing the interplay between strategic management and social responsibility, organizations can enhance their overall impact on regional development while securing competitive advantages in increasingly complex markets.

In Kenya, strategic management has also gained traction, particularly within the banking and telecommunications sectors. Kenyan banks such as Equity Bank and KCB have been reported to have successfully implemented strategic management frameworks to enhance customer service and operational efficiency (Mwangi and Ochieng, 2023). These banks reported a 20% increase in customer satisfaction and a 15% improvement in overall profitability after adopting structured strategic planning processes. Additionally, companies such as Safaricom have leveraged strategic management to maintain their market leadership by focusing on innovation and customer engagement. This emphasis on strategic management reflects a broader trend in Kenya, where organizations are increasingly recognizing its role in navigating market complexities and achieving sustainable growth.

However, despite the growing recognition of strategic management practices in the Kenyan banking sector, several gaps remain in understanding how these practices specifically influence organizational performance. Previous studies have primarily focused on the broader context of strategic management without delving deeply into the banking industry or examining the unique challenges faced by Kenyan banks (Kiptum & Njuguna, 2019). Furthermore, existing research has often emphasized individual components of strategic management such as formulation or implementation without exploring the interconnections between these components and their collective impact on performance.

By offering empirical data on how strategy development, execution, assessment, and control affect KCB's success, this study seeks to close these gaps. By looking at these factors, the study will provide information about how well KCB's strategic management techniques work to boost its operational effectiveness and competitiveness. In addition, this research aspires to contribute to the broader discussion on strategic management practices in the African banking sector by providing practical recommendations for practitioners targeting the optimization of strategic methods within a rapidly evolving market setting.

Finally, considering Kenya's banking industry, it is crucial to do research on the relationship between strategic management techniques and organizational success. As KCB delves further into the intricate world of finance, it will be advantageous for both academic study and real-world applications to comprehend the many ways in which strategic management impacts the performance of the organisation. By adding to what is already known, this research hopes to provide light on the dynamics of strategic management practices at KCB, which could lead to improved understanding and more informed strategic decision-making in the area.

### **1.1.1 Banking Sector in Kenya**

Across key performance measures, including as ROA, ROE, net interest margin, asset growth, deposit growth, and profitability growth, the Kenyan banking industry has shown fairly constant performance (CBK, 2015d). From 2013 to 2016, the industry had bank failures (Gumbo and Zoromedza, 2016). The Central Bank of Kenya placed three banks under receivership in 2015 and 2016. These banks, namely Dubai Bank, Imperial Bank, and Chase Bank, had declined in financial health due to a number of factors, the most common of which was a lack of effective corporate

governance. Bad performance among peers has generally been low, according to the Central Bank of Kenya's Annual Bank Supervision Reports (CBK, 2015d). As we can see from the Central Bank of Kenya's (CBK, 2017) Annual Reports on Bank Supervision, there is a very consistent pattern of performance for Kenyan banks between the years 2000 and 2015. Both successful strategy execution in commercial banks and regulatory protections implemented during the banking sector's challenging years in the 1980s and 1990s might be responsible for the performance. But there are certain problems with the way commercial banks in Kenya are doing. According to the Central Bank of Kenya's (CBK) annual supervisory report, the country's banking sector has also been hit hard by the unpredictable weather. Factors such as capped interest rates, bad debts, decreased borrowing costs, more technological competition, and higher operating expenses due to poor economic development have all contributed to this scenario's exacerbation (CBK, 2017). Consequently, some commercial banks have seen dramatic swings in performance, almost to the point of loss. Given that some commercial banks are now executing a drastic program of shutting down branches in an effort to increase efficiency, the likelihood of job cutbacks via retrenchment and layoffs has increased due to the subsequent potential of bad performance. In light of this new reality, top-level executives will need to use strategic management techniques, but only to boost performance and competitiveness.

### **1.1.2 KCB Group**

The Great Lakes area of Africa is home to KCB Group, a holding corporation that includes commercial banks and financial services. In addition to its main office in Nairobi, the capital of Kenya, the bank has branches in Burundi, Rwanda, South Sudan, Tanzania, and Uganda via its subsidiaries. East Africa is home to a number of long-standing commercial banks, including KCB Group. The Group surpassed all other financial service providers in the Great Lakes region of Africa as of December 2012. As a whole, the banking industry has been using strategic management techniques to increase and maintain market share in response to the ever-changing financial climate (Kinyua, 2018). An important ratings agency that focusses on developing markets gave KCB an excellent long-term corporate credit grade in 2016. The credit grade was determined by the bank's proven ability to consistently improve performance and the wealth of expertise held by its senior leadership. KCB issued bonds and rights to raise capital the same year, and the effort was a success. Many see the successful completion of the capital mobilization activities as a sign that the bank's long-term expansion plan is being supported. The KCB M-Benki

services were launched in 2016 and the strategic emphasis shifted to small and medium-sized businesses (SMEs) during that pivotal year in the KCB strategy cycle. The goal of Mulei (2016) is to help the bank refocus its efforts on small and medium-sized enterprises (SMEs) so that it can expand and be profitable in the long run. By becoming the first bank to enter the market, the strategic move elevated Kenyan banking to a new level of innovation, convenience, and accessibility. This has helped with financial inclusion by reducing paper consumption and making formal banks more accessible to SMSEs and the micro sector, which in turn has reduced service times. The bank's new approach and the relative simplicity of its services contributed to a surge in growth and a net profit gain of about ksh 5 billion in the first quarter of 2018.

## **1.2 Statement of the Problem**

The Kenyan banking sector has faced increasing operational and strategic challenges in recent years, driven by regulatory reforms, heightened competition, digital disruption, and economic volatility. According to the Central Bank of Kenya (CBK, 2023), the industry-wide ratio of non-performing loans (NPLs) rose to 14.3% in 2022 from 13.1% in 2021, indicating deteriorating asset quality. Furthermore, the average return on equity (ROE) for commercial banks declined from 25.1% in 2021 to 21.6% in 2022, signaling reduced profitability margins (CBK, 2023). These trends have forced banks to cut costs, close physical branches, and downsize their workforce in pursuit of efficiency. For example, between 2020 and 2022, Kenyan banks closed over 50 branches, citing low branch traffic and high operating costs (Kenya Bankers Association, 2023). These performance indicators highlight systemic issues within the sector, necessitating robust strategic management responses.

KCB, one of the region's largest and most established financial institutions, has not been immune to these challenges. In its 2022 annual report, KCB reported a decline in customer deposit growth from 17% in 2021 to 12% in 2022, while its cost-to-income ratio worsened from 45.9% to 48.3% - a signal of declining operational efficiency (KCB Group, 2022). The bank also saw its net profit growth slow to 5% in 2022 compared to 15% in the previous year, largely due to increased credit provisioning and stiff competition from fintech and mobile money operators like M-Pesa and Tala. While KCB has implemented several strategic initiatives - including regional expansion, digital innovation, and SME financing - there is growing concern about the effectiveness of these

strategies in consistently driving performance, especially amid rising customer expectations and technological shifts (Owuor & Wambua, 2023).

Although strategic management practices are widely regarded as key enablers of organizational performance, the empirical link between these practices and performance outcomes in Kenya's banking industry remains underexplored. Studies such as Wang et al. (2023) and Hrebiniak (2022) emphasize that the alignment of strategy formulation, implementation, evaluation, and control significantly enhances organizational competitiveness. However, most Kenyan studies have focused either on general strategy adoption or isolated practices like implementation, without integrating all four elements in a holistic analysis (Murunga & Deya, 2022; Mwangi & Njeri, 2023). Moreover, many fail to incorporate performance data such as profitability, market share, or customer satisfaction to gauge the actual impact of these practices within specific institutions like KCB. This presents a clear gap in knowledge, particularly in evaluating how strategic responses to market pressures translate into measurable performance improvements.

Consequently, this research set out to address this knowledge gap by investigating how the four pillars of strategic management—planning, executing, evaluating, and controlling—impacted the operational efficiency of KCB. The findings are expected to inform both academic discourse and practical strategic decision-making within the Kenyan banking sector, offering a roadmap for banks to enhance their resilience and adaptiveness in a rapidly evolving financial environment.

### **1.3 Purpose of the Study**

This research set out to answer the question, "How have strategic management practices affected the performance of KCB in Kenya?".

### **1.4 Objectives of the Study**

The study was guided by the following specific objectives

- i. To establish the effect of strategy formulation on performance of KCB in Kenya.
- ii. To establish the influence of strategy implementation on performance of KCB in Kenya.
- iii. To determine the influence of strategy evaluation on performance of KCB in Kenya.
- iv. To examine the effect of strategy control on performance of KCB in Kenya.

## **1.5 Research Questions**

The study was guided by the following questions

- i. What is the effect of strategic formulation on performance of KCB in Kenya?
- ii. What is the effect of strategy implementation on performance of KCB in Kenya?
- iii. What is the effect of strategy evaluation on performance of KCB in Kenya?
- iv. What is the effect of strategy control on performance of KCB in Kenya?

## **1.6 Significance of the Study**

Because they provide light on the connection between strategic management methods and performance, the study's conclusions are vital for KCB's strategic management policymakers. This understanding will be essential for KCB to improve internal procedures and policies, addressing problems that frequently result from poor strategic management.

The study will facilitate the creation of regulatory frameworks that encourage best practices and sector stability by providing insightful information about how strategic management affects bank performance to regulators and policymakers in the financial industry. A better knowledge of how strategic management affects the banking sector will help government entities in charge of financial oversight create regulations that will promote a robust and competitive financial sector. By enhancing their own strategic management techniques, other commercial banks, both domestically and abroad, can benefit from KCB's experiences and raise the efficacy of the sector as a whole.

In addition, the study will contribute fresh viewpoints on organizational performance and strategic management to academic research, which will direct future research in the banking industry as well as other sectors.

## **1.7 Scope of the Study**

The purpose of this research was to analyse how four important aspects of strategic management—planning, execution, evaluation, and control—impacted the success of KCB. The research focused on the ways in which these strategic approaches affect key performance indicators like market share, customer happiness, and profitability for organisations. Findings should provide light on how well KCB's strategy is faring in the face of intense competition in the banking industry.

The research was limited to the country of Kenya and, more specifically, to the Nairobi headquarters of KCB. This location serves as the central hub for KCB's strategic decision-making

processes, offering a representative view of the bank's overall management practices. Concentrating on the Nairobi headquarters enabled detailed evaluation of KCB's strategic management within the dynamic Kenyan banking industry.

Regarding the period frame, the research examined the effects of strategic management strategies on performance throughout the previous three to five years. This period was selected to ensure the research reflects current trends and recent strategic initiatives, providing an up-to-date perspective on KCB's performance. This timeframe will allow for an assessment of both ongoing and recently concluded strategic efforts, making the findings relevant for contemporary applications within the banking sector.

### **1.8 Limitations of the Study**

Some respondents may be reluctant to share their thoughts, which might cause them to suppress information, which was one of the challenges that the researcher had expected. To get around this problem, the researcher made sure that each respondent's data would remain anonymous. The research respected the participants' autonomy by allowing them to choose whether or not to take part. By assuring confidentiality, we might have reduced bias and increased the likelihood that respondents would have provided enough and correct information.

Additionally, because financial data is sensitive, obtaining information from financial organizations can be challenging. Therefore, even if the research does not look for information about the company's business activities, persuading the management may be difficult. To alleviate this concern, the researcher promised the bank's management that the data collected for the study would be kept completely confidential and utilized only for academic reasons. The researcher was able to mitigate this challenge by securing introduction letters from both the institution and NACOSTI.

### **1.9 Delimitations**

With KCB as a case study, this study examines how strategic management techniques affect the efficiency and profitability of commercial banks. The scope of the research includes just the following:

First, the investigation's scope was limited to looking at how strategic management techniques, such as strategy creation, execution, assessment, and control, impact commercial banks'

performance. Although they have an impact on bank performance as well, this study does not specifically address other elements including consumer behavior, political influences, and environmental issues.

Secondly, the Nairobi headquarters of KCB was the only focus of this study. Despite KCB's global operations, this study focused on the head office to offer a thorough examination of strategic management techniques in a particular environment. Further, only KCB's management personnel were included in the study. Non-managerial staff and outside stakeholders were excluded. This was to ensure that insights are certain to come from those who work directly with the bank and have experience with strategic management.

Lastly, structured questionnaires were used as key data gathering techniques in this project. There was no use of secondary data sources or non-traditional research techniques like case studies or observational research.

#### **1.10 Assumptions of the Study**

This study was based on a number of assumptions that were foundational to its methodology and intended outcomes. First, it was assumed that respondents will provide accurate and truthful information when completing the questionnaires. This assumption was essential, as the reliability of the findings largely depends on the honesty of participants. Despite this reliance on truthful responses, the study recognized that complete accuracy may be challenging due to personal biases or reluctance to disclose certain insights. To foster transparency, the study reassured respondents of strict confidentiality, encouraging open and honest participation.

Second, the research presupposed that the opinions of KCB workers as a whole could be adequately represented by the sample size and methods used. This assumption was crucial in ensuring that the results are generalizable and reflective of broader strategic management practices within the bank. By carefully selecting a representative sample that includes diverse management levels, the study aimed to capture a balanced view of strategic influences on performance.

There was also the presumption that other Kenyan commercial banks offering comparable services would have the same results as KCB. Because of its generalizability, the study's findings might provide more comprehensive banking industry insights. The researcher was aware, however, that

the results may not be generalizable to other banks due to differences in organizational culture, structure, or market emphasis.

At last, the research presupposed that the four phases of strategic management—planning, execution, assessment, and control—are separate and distinct from one another. This separation allows for each strategic practice’s influence on performance to be analyzed distinctly, providing insights into how each aspect of strategic management individually contributes to organizational success. While acknowledging potential overlaps, this assumption enabled the study to focus on unique contributions of each practice to bank performance.



## 1.11 Operational Definition of Key Terms

<b>Strategy</b>	The degree to which an organisation is able to use its internal strengths while mitigating the threats and taking advantage of opportunities given by its external environment (Onyekwelu, 2020).
<b>Strategy control:</b>	Strategic planning is a process that businesses use to keep their plans in check. It entails a series of steps that compare the actual execution of tasks and activities with predetermined standards. This comparison gives feedback that can be used to improve the performance of operational activities (Murunga and Deya, 2022).
<b>Strategy evaluation:</b>	The process of assessing the effectiveness and efficiency of a strategic plan or initiative, serving as a critical feedback mechanism to determine whether the strategy has achieved its intended objectives (Pearce & Robinson, 2017).
<b>Strategy formulation:</b>	The method by which a business plans its future actions. It include laying out the company's purpose, outlining attainable objectives, formulating plans, and creating policy guidelines (Pearce & Robinson, 2017).
<b>Strategy implementation:</b>	The process of turning plans into actions and achieving the desired results (Hrebiniak, 2016).
<b>Organizational Performance</b>	The realisation of outcomes or results that are desirable to an organisation and that favourably compares with the aims of the firm. Efficiency, efficacy, and cycle time are all part of it, as are waste reduction, process improvement, and regulatory compliance (Murunga and Deya, 2022).

## CHAPTER TWO

### 2.0 LITERATURE REVIEW

#### 2.1 Introduction

The focus of this chapter is to review the literature, both theoretical and empirical. Some of the ideas that are examined in connection to the research include the resource-based perspective, dynamic capacity theory, and contingency theory. It also highlights prior research that is pertinent to the variables under consideration here. An outline of the reviewed literature and a theoretical framework are also included in the chapter.

#### 2.2 Theoretical Framework of the Research Study

A theory is set of conventional statements that are repeatedly tested to explain a given phenomenon. Various theories have been propounded to explain strategy-business performance linkage. However, three theories—Resource-Based Theory, Stakeholder Theory, and Game Theory—will serve as the framework for our investigation.

##### 2.2.1 Resource Based View Theory (Penrose, 1959).

The notion of resource-based views will serve as the foundation for the research. The importance of internal resources to a company and how they may be used efficiently during strategy creation to gain and maintain a competitive advantage are both explained by this thesis put out by Penrose (1959) (Gabow, 2019). According to the notion, a company's ability to attract and retain customers depends on its physical and intangible assets (Ismail, Rose, & Uli, 2014). The Resource Based View analyses and acknowledges the strategic advantages of a corporation that were derived by exploring its clearly defined resources, including its staff, assets, and money.

RBV theory clarifies why organizations differ from one another despite having different resources. When these resources are well-developed, organizations use them to advance knowledge (Barney, J. B., 2014). It goes on to say that a company's resources are the most important factor in its success. The main emphasis of RBV theory is the strategic knowledge of how an organization's resources are used to gain a competitive advantage (Samaha, S. A., & Palmatier, R. W. 2014).

The idea proves without a reasonable doubt that a company's resources greatly affect the plan implementation process. This is due to the fact that even if an organization has great strategies, they are still in the formulation stage if they lack the resources to put them into action. According to the theory, uncommon resources are out of reach for rivals, whereas valuable resources provide value and guarantee customer satisfaction.

The resource-based view (RBV), which emphasizes strategic resource management and how it influences strategy implementation in commercial banks, is significant in this study. When carrying out a specific function, the Company's resources include things that are tangible, technological, commercial, financial, and human resource-related. They are categorized mostly according to their knowledge of personnel, experience and abilities, reputation of the employee, and organizational procedures. This study's hypothesis focuses on elucidating how management strategy formulation and implementation affect performance in Kenya's banking industry. The relative advantage (RBV) for this scenario emphasizes the internal resources and competencies of businesses in determining strategies to get a competitive advantage in the marketplace.

Therefore, it is the most important theory for understanding how premise regulations affect the efficiency of commercial banks in Kenya's Nairobi County. According to the theory, uncommon resources are out of reach for rivals, whereas valuable resources provide value and guarantee customer satisfaction. RBV is significant to this study since it facilitates the application of strategy. A low-resource organization is likely to become stagnant during the planning stage. In order to strengthen its internal resources and create a lasting competitive advantage, RBV can be applied by the management of commercial banks in identifying and focusing on its tangible and intangible resources.

In this study, RBV will be used to assess how KCB leverages its resources—such as skilled personnel, technological infrastructure, and financial assets—to formulate and implement effective strategies. The research will involve evaluating the internal capabilities of KCB to identify strengths and weaknesses in resource allocation. By analyzing the role of these resources in driving performance, the study aims to elucidate how effective resource management can create a competitive advantage in Kenya's banking sector. The RBV will guide the formulation of hypotheses related to the correlation between resource utilization and organizational performance.

### **2.2.2 Stakeholder Theory (Edward in 1984)**

The late Dr. F. Edward, a professor at UVA, created this idea in 1984. A group of persons who are either directly or indirectly impacted by the success or failure of an organisation is called a stakeholder according to the notion. People that have a vested interest in the success of a business include customers, vendors, employees, locals, and upper management. They provide value to the transaction as a result of their interactions. Understanding the dynamics of the relationship and how it develops over time is the responsibility of management. Taking care of the interests of all

stakeholders is a top priority for senior management. As to Parmar, Freeman, Harison, Wicks, Purnell, & Colle (2016), it is the manager's responsibility to identify the conflicting interests and provide a solution.

According to this theory, the organization should involve the important individuals who are either directly or indirectly impacted by its operations. This theory is crucial for developing and putting into practice methods. According to the theory, a company must answer to all parties involved in the environment in which it operates. An organization must confront its issues and recognize their impact on the business if it is to prosper. Neglecting important stakeholders could lead to adversarial issues for the company, particularly if they report subpar performance (Whitney, 2019). Stakeholder theory is important to this study as it would enable the researcher and commercial banks managers in understanding how to work with and coordinate customers, workers, and other stakeholders while developing and putting into practice strategies to accomplish their objectives. In this study, Stakeholder Theory will guide the exploration of how KCB engages with stakeholders during strategy formulation and implementation. The research will investigate stakeholder identification, engagement strategies, and the impact of stakeholder relationships on performance outcomes. By analyzing how KCB balances the needs of different stakeholder groups, the study will provide insights into the effectiveness of stakeholder engagement practices in enhancing organizational success.

### **2.2.3 Game Theory (Neumann and Oskar, 1944)**

Game Theory, originally developed by Von Neumann and Morgenstern (1944), is a framework for understanding strategic interactions among rational decision-makers, particularly in competitive or interdependent environments. In the context of organizational strategy, Game Theory provides insights into how firms anticipate and respond to the strategic moves of competitors. It assumes that organizations do not operate in isolation; rather, they function within a broader ecosystem where the success of one entity may depend on the actions of others (Dixit & Nalebuff, 2021).

This study adopts Game Theory to explain how KCB navigates strategic decision-making in the face of intense market competition from both traditional banks and emerging fintech players. For instance, KCB's adoption of digital banking platforms and mobile money services can be interpreted as strategic responses to moves made by competitors like Safaricom's M-Pesa or Equity Bank's Eazzy Banking platform. Game Theory helps to model such interactions as

"games," where KCB must evaluate not only its own strategies (such as product diversification or pricing) but also anticipate possible reactions from rival institutions (Gintis, 2019). This analytical perspective is critical in a banking landscape where market positioning, innovation, and customer retention are heavily influenced by competitors' moves.

In addition, the research is grounded in Game Theory, which provides a framework for analyzing the efficacy of KCB's strategic management techniques in interdependent and dynamic market circumstances. For example, during strategy formulation, KCB must consider potential countermoves from competitors before deciding on product rollout or entry into a new market. During implementation, resource allocation decisions are often made in anticipation of strategic pressures from rivals. Game Theory thus reinforces the need for adaptive and anticipatory strategies that align with competitor behaviors, regulatory constraints, and shifting consumer demands (Tadelis, 2013). By applying Game Theory, the study evaluates how KCB's strategic choices enhance its competitive advantage in a rapidly evolving and interactive financial environment.

### **2.3 Empirical Literature Review**

By producing pertinent knowledge, enhancing environmental awareness, and reducing uncertainty, strategic management techniques enhance performance. Effective performance management systems can improve organizational performance, according to McKinsey (2023), which supports the idea that strategic management techniques are essential for businesses to create and preserve their market positions. This section provides a literature analysis on the topic of strategic management practices and their impact on organizational performance. It focusses on the four primary strategies that comprise the independent variables of the study: strategy formulation, implementation, assessment, and control.

#### **2.3.1 Strategy Formulation and Organizational Performance**

Strategy formulation is a critical aspect of strategic management that involves defining an organization's vision, mission, objectives, and the strategies to achieve them. Effective strategy formulation serves as the foundation upon which organizations build their competitive advantage and drive their performance (Mintzberg, 2021). Research has consistently demonstrated that a well-defined and executed strategy formulation process positively influences organizational performance across various sectors. This review of the literature focusses on empirical research

that have looked at how strategy development affects organizational performance. It draws parallels to the present study on KCB and highlights pertinent results from those studies.

Research has shown that strategy formulation techniques are significantly correlated with improved organizational performance on a worldwide scale. For example, Bahl and Milne (2023) conducted a study analyzing large corporations across multiple industries worldwide. They found that organizations engaging in comprehensive strategy formulation processes experienced higher performance levels, as indicated by profitability and market share metrics. The study highlighted those thorough assessments of internal and external environments, setting clear objectives, and aligning resources effectively enable organizations to better adapt to market dynamics. This global finding underscores the critical role of strategic formulation in achieving organizational resilience and adaptability.

Focusing on the continental level, a study by Nyakundi and Omondi (2021) examined firms in Africa, revealing similar patterns. According to the research, African businesses that had clearly defined processes for formulating their strategies performed better overall, especially when it came to competitive positioning and market expansion. The authors explained these gains by stating that these companies were able to foresee and handle the particular legal and economic obstacles that the African market presented. The importance of strategic formulation in improving organizational performance in the diverse and changing African business environment is emphasized in this study.

On a regional scale, specifically within East Africa, Karanja and Mwaura (2022) explored the impact of strategic formulation on the performance of businesses in Kenya and neighboring countries. According to their research, firms who implemented strong strategy formulation methods outperformed their competitors in terms of both market presence and financial performance. According to the survey, these businesses were more suited to deal with local economic ups and downs as well as competition. The results highlight how crucial strategic formulation is for adjusting to local market conditions and taking advantage of growth prospects.

At the national level, a study by Mwangi and Njeri (2023) focused specifically on Kenyan companies, including KCB. According to the study, Kenyan businesses who made investments in

thorough and methodical strategy creation processes outperformed competitors in terms of performance, gaining a larger market share and more profitability. According to the report, KCB's ability to respond to regulatory changes and navigate the competitive environment of the Kenyan banking market was greatly aided by its ability to formulate effective strategies. This national-level understanding, which emphasizes the critical role that strategic formulation plays in fostering organizational performance within Kenya's unique business context, is consistent with findings from throughout the globe and the region.

In summary, empirical studies consistently indicate that effective strategy formulation is essential for enhancing organizational performance. The reviewed literature highlights the significance of comprehensive and contextually relevant strategy formulation practices in achieving superior performance outcomes across various sectors. To further our understanding of strategic management practices in the African banking setting, this study will expand upon previous work by investigating the direct correlation between strategy creation and the performance of KCB.

### **2.3.2 Strategy implementation and Organizational performance**

An organization's performance may be impacted by the strategy implementation phase, which is an essential part of strategic management. This phase involves turning established strategies into practical plans. Allocating resources, aligning organizational structures, and engaging staff to accomplish strategic goals are all part of an effective strategy's execution (Hrebiniak, 2022). A large body of empirical research across a variety of industries has shown that improved organizational performance is strongly correlated with the effective implementation of strategies. Applying a focus on the implications for KCB, this literature review examines important results from empirical research that examine the link between strategy execution and organizational performance.

Effective strategy execution is a crucial factor of organizational success, according to significant studies conducted on a worldwide scale. Effective strategy implementation practices were positively correlated with performance indicators like profitability, market share, and customer satisfaction, according to a meta-analysis by Hutzschenreuter and Kleindienst (2022) that analyzed data from more than 100 organizations globally. The authors said that in order to accomplish their strategic goals, organizations should make sure that employees are involved, that information is

clearly communicated, and that performance is monitored throughout the implementation process. Banks like KCB need a guiding principle to help them navigate the competitive financial market, and this study highlights the need of an integrated approach to strategy execution.

Research has also shown that plan execution is crucial for improving organizational performance in an African setting. As an example, Nkhata and Nyamakope (2023) looked at how certain Malawian enterprises' strategies were put into action and how well they did. They discovered that companies with strong implementation frameworks were far more efficient and profitable. Key components contributing to successful implementation, according to the research, were good communication and alignment of organizational culture with strategic objectives. In the real world of KCB, when this viewpoint is in line with reality, the success of the bank can depend on how well its strategic goals mesh with its culture and how invested its employees are in those goals.

Wamuyu et al. (2021) examined the impact of strategy execution on the performance of commercial banks in Kenya, with a particular focus on the banking industry. The researchers found that banks that adopted comprehensive strategy implementation practices—such as clearly defined roles, accountability measures, and ongoing performance evaluation—exhibited significantly higher performance outcomes compared to those with less structured implementation processes. KCB, in particular, was highlighted as a case where effective implementation practices contributed to improved customer service and operational efficiency. This finding underscores the critical role that strategy implementation plays in enhancing the overall performance of banks in the Kenyan market.

In addition, Oduor et al. (2022) looked at the correlation between strategy execution and financial results in Kenyan banks. The authors discovered that banks' financial performance increased when their resources were allocated effectively, employees were trained, and performance monitoring tools were in place. According to their findings, the strategic efforts of KCB, especially those involving the use of technology to improve service delivery, were strongly related to the methods by which these initiatives were put into action. The significance of continuous training and development programs in equipping personnel to properly implement the bank's plans is underscored by this.

There is still a lack of knowledge on the precise ways in which these practices impact performance in the setting of Kenyan banks, even though the literature constantly stresses the significance of strategy implementation for improving organizational performance. Research on the relationship between strategy execution and performance in Kenya's banking industry is lacking, as the majority of studies have either looked at non-banking industries or larger organizational settings. To fill these gaps, this research will collect data on how KCB's strategy implementation techniques affect the results of its performance. Research into these areas will add to the growing body of literature on strategic management in Africa's banking industry, shedding light on how best to put plans into action.

In summary, empirical studies consistently indicate that effective strategy implementation is crucial for enhancing organizational performance. The reviewed literature highlights the significance of well-structured implementation practices, including clear communication, employee engagement, and performance monitoring, in achieving superior performance outcomes across various sectors. Using prior research as a foundation, this study analyzed how KCB's strategy execution affected their performance. The study's overarching goal was to provide practical suggestions for improving strategic management in the African banking industry.

### **2.3.3 Strategy evaluation and Organizational performance**

The impact of strategic management strategies on the performance of a Kenyan floriculture firm was investigated by Maroa and Muturi (2019). Fifty people were surveyed using a purposive sampling technique. The research used descriptive statistics to evaluate the data. The findings demonstrated that strategy reviews had a substantial effect on the organizational performance of flower firms. It is essential to regularly assess the efficacy of the executed strategy, as stated in the report. Since this research was conducted in a floriculture firm, it may not be applicable to solving problems in the banking industry. Expanding the breadth of evaluative knowledge in the banking business is the objective of the present research.

Abdalla (2020) examined the effect of strategy evaluation on Center Star Company's organizational performance in a different study carried out in Kenya. Two hundred employees of the Center Star Company (CSC) made up the study population. Sixty workers of the company were chosen to participate in the study using a stratified random selection procedure. The research identified four approaches to improve the organization's performance via strategy assessment.

Everyone is working towards the same goal of evaluating strategies, there are established protocols for doing so, there is an attempt to collect data on how well strategies are doing, roles and duties are clearly defined, and the results of these assessments are consistently demanded.

In their 2021 study, Ahmed and Mukhongo examined the impact of strategic management strategies on the organizational performance of the Somali Customs Department in Mogadishu. A total of 108 participants were polled using a questionnaire that included primary and secondary data collected using stratified sampling procedures. Data analysis included both descriptive and inferential statistics. Strategy review had a favourable and statistically significant effect on performance, according to the data. According to the study, assessing strategy execution is essential because it helps identify whether the suggested technique is successful or needs a complete redesign. KCB may not be affected by this study, which was carried out in Somalia.

Ali (2022) used a descriptive design to look at how SMEs in Bangladesh fared when it came to strategic management techniques and how well they did. A basic random strategy was used to get quantitative data from 69 persons via surveying them. A combination of descriptive and inferential statistics were used to examine the data. Strategy reviews have a substantial and positive effect on the performance of SMEs, as shown by the results. Implementing an effective strategy review process may provide SMEs with long-term competitive advantages, development opportunities, and survival strategies, according to the study's conclusions. Public health organisations' use of control mechanisms, processes, and procedures for strategy evaluation was examined in a 2017 research by Issack and Muathe. In order to collect primary data using questionnaires, 51 participants were chosen using a census approach. Additionally, correlation and regression analysis were used as inferential statistics. The results showed that public health organisations' operations are positively and significantly affected by strategy evaluation.

#### **2.3.4 Strategy Control and Organizational Performance**

Strategic control is the process by which companies oversee the creation and execution of strategic plans. Plans that are properly created and carried out are essential to a company's success. Strategic control is necessary to ensure alignment between formulation and implementation (Gichana & Oloko, 2022). Three key benefits of strategic control for businesses are enumerated by Gavetti and Ocasio (2017). To begin, guidance is given by strategic control. Management may make sure the organisation is heading in the proper path and takes corrective action when necessary by exercising control. Secondly, having influence over anything makes everyone feel like they're contributing.

Everyone in the organization, including managers and employees, is informed about what is going on, how their performance compares to expectations, and what needs to be done to maintain or improve performance.

Using Contingency Theory as their theoretical framework, Matari, E., et al. (2018) studied how general strategy choices and management control systems (MCS) impacted the organizational performance of big and medium-sized firms in Espírito Santo. A method known as structural equation modelling was used to examine the data. Using the MCS and making strategic choices helps the organisation function better. Here are the key findings: Despite predictions in the literature to the contrary, companies operating in more competitive environments choose a cost leadership strategy over differentiation. The strategy chosen affects the design and use of the MCS. Using modern management practices is associated with a differentiation strategy. Organisations' strategies are influenced by competitive pressures as well.

In their 2019 study, Emanuel, Eduardo, Helio, and Rosimeire examined the Armenian Airline Company's strategic premise controls. Their study was quantitative, and the method of gathering data was a survey. 73 surveys were authenticated after being filled out by persons in charge of these businesses' governing or connected areas between February and April 2014. The structural equations modeling approach was used to analyze the data. Based on their research, this approach to organizational strategy is seen as providing long-term guidance to fulfil stakeholder needs, satisfy market demands, and gain an advantage for a specific company in a challenging environment through resource configuration.

Hanoon et al. (2021) looked at the effects of strategic surveillance control features on the financial performance of the Iraqi banking industry. Structural Equation Modelling (SEM) was the principal tool in the quantitative study design. The data came from a group of people selected using a non-random purposive selection method. This group included the audit committee, accountants, chief financial officers, and chief executive officers. The survey was administered to 365 participants, and structural equation modelling (SEM) was used to examine the data and determine the correlation between financial performance and internal control components. The components of internal controls have a substantial effect on financial performance, according to their study.

Woldmeskel (2020) examined the use of Hope University College in Addis Abeba to evaluate and control approaches for strategy evaluation in the education sector. The authors established that problems control is a strategic function by showing that regional organisations tackling different

socioeconomic challenges have improved their financial and non-financial performance after using strategic control tactics. The strategic leadership and functional track abilities of the top managers contributed to the company's financial performance, as did the best resources available to them. These managers were able to adjust to a changing environment. Many African firms' organizational performance is impacted by the price wars that result from the very competitive market. These results are related to the special alarm controls seen in multinational banks. These results imply that formal standards are associated with particular alert controls in MNC banks, but formal objectives are not.

## 2.4 Conceptual Framework of the Research Study

This study's conceptual framework was deduced from the reviewed empirical literature as discussed in part 2.3 of this chapter guided by the specific objectives. It postulates that the strategic management practices of KCB are related to their performance. Figure 1 below depicts the conceptual model of the links between the four strategic management practices—planning, executing, evaluating, and controlling—and their impact on company performance.

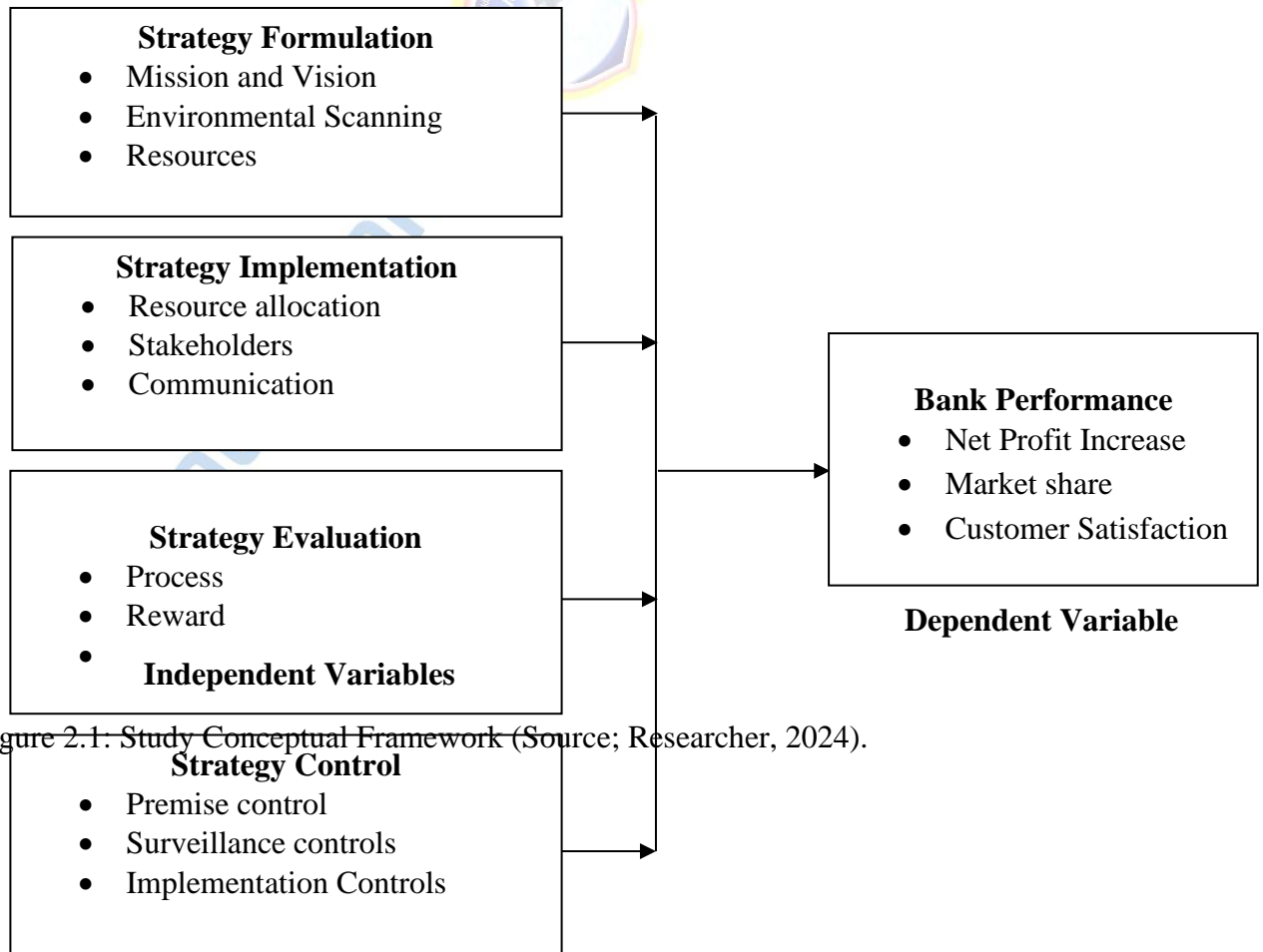


Figure 2.1: Study Conceptual Framework (Source; Researcher, 2024).

### **2.4.1 Strategy Formulation**

To formulate a strategy is to engage in strategic formulation. Finding out where a firm is now, where it wants to go, and how to get there are the three main points of strategy formation (Njuguna, Munyoki, & Kibera, 2019). Collecting data and exchanging information continuously are part of the strategy development process. When formulating a strategy, the most challenging parts are coming up with a strategic identity and doing strategic analysis. The World Bank states that effective strategy development is a prerequisite for sound strategic management. A social and political process, strategy creation involves stakeholders influencing and sharing authority over policymaking, resource allocation, and priority setting. Mission and vision statements, environmental scans, and company resources were the three formulation indicators used to evaluate strategy development in accordance with the theoretical framework.

### **2.4.2 Strategy Implementation**

Executing a plan is a crucial part of risk management. According to Sharbati and Jamal (2014), in order for organizations to achieve success, it is crucial that performance improvement initiatives be carried out effectively. The success, failure, or viability of an organisation is dependent on how its stakeholders implement its plans (Kihara, Bwisa, and Kihoro, 2016). By creating programs, budgets, and procedures, the strategy implementation process involves putting plans, policies, and goals into action. As a crucial part of strategic management, strategy creation comes before implementation (Karami, 2014; Nwachukwu, Chladkova, & Fadeyi, 2018). Three sub-variables; resource allocation, stakeholder communication, and strategy communication were used to measure the variable strategic implementation.

### **2.4.3 Strategy Evaluation**

The management of commercial banks should embrace strategy evaluation as a way to enhance corporate performance and help handle the difficulties and changes of the global economy and the tumultuous business environment. Evaluation of the strategy is crucial for comparing actual performance to the desired outcome and, in the end, for giving the necessary input for making adjustments throughout the implementation stage (Nyariki, 2017). Instead of highlighting past mistakes, appraisal should focus on proposing necessary remedial actions to move the company in the right direction. Three indicators that is, strategic process, reward, and monitoring and evaluation was used to gauge the variable strategy evaluation in this suggested study.

#### **2.4.4 Strategy Control**

Strategic controls, according to Hadrian, Milichovský, and Mrázek (2021), entail management keeping an eye on an organization's operations to assess efficacy and efficiency and implementing corrective measures to enhance performance. Certain presumptions or assumptions regarding the intricate and chaotic organizational environment serve as the foundation for the development of strategic controls. According to Kanwal and Yousaf (2019), the various features and techniques that banks employ to implement strategic controls across areas determine their consistency. Strategic controls in Kenyan firms contain a collection of mechanisms for the organization's main, supporting, and external party activities (Gabow, 2019). According to the study's theoretical framework, strategy control was measured using three types of controls: premise, observation, and execution.

#### **2.4.5 Organizational Performance**

Organizational performance is described by Singh, Darwish, and Potočník (2016) as the voluntary combination of productive assets, such as money, technology, and human capital, in pursuit of a shared objective. According to Singh et al. (2016), there are three components of organizational success: market performance, financial performance, and stakeholder returns. Building strategic planning and assessing progress towards objectives and goals is impossible without performance measurement systems. Elena-Iuliana and Maria (2016) state that companies have a better chance of staying in business if they do well. Financial performance and company performance are two ways to classify this. It is crucial to take into account whether a company is achieving its goals while assessing its performance (Bryce, 2017). It is crucial and strategic to keep an eye on an organization's performance. Performance constituted the study's dependent variable. This variable was measured using three indicators namely; net profit increase, customer satisfaction and business growth.

#### **2.5 Recap of Literature Review and Research Gap**

The chapter outlined the proposed investigation's theoretical underpinnings, which include stakeholder theory, game theory, and the resource-based approach. Strategy design, strategy execution, strategy assessment, and strategy control are the four pillars of strategic management that have been studied in relation to the performance of commercial banks. The efficiency of commercial banks is the one being studied here. This chapter provides a comprehensive review of related literature and focusses on the evaluation criteria employed by the KCB. Chapter 5

concludes by speculating on the possibility of a relationship between strategic management practices and the performance of KCB, using a conceptual model that emphasises the connections between strategy formulation, strategy implementation, strategy evaluation, and strategy control. Despite extensive literature on strategic management practices, several key gaps remain. First, while many scholars have examined the impact of individual strategic management components on organizational performance, few have explored the combined and interdependent effects of all four dimensions - formulation, implementation, evaluation, and control - within the banking sector in Kenya. Studies by Mwangi and Njeri (2023) and Wamuyu et al. (2021) focused largely on formulation and implementation, often excluding evaluation and control, which are equally critical for continuous performance monitoring and strategic adjustments. This study addressed this gap by incorporating all four components into an integrated model to assess their collective and individual contributions to bank performance.

Second, many studies in the Kenyan context have been conducted in small and medium enterprises or public sector organizations, with limited focus on large commercial banks like KCB. As a result, there is a lack of context-specific evidence on how strategic management practices affect performance in large, complex financial institutions. Third, previous research has often relied on general or subjective performance measures, without linking strategic practices to specific, quantifiable outcomes such as profitability, customer satisfaction, or market share. This creates a need for studies that apply objective metrics to evaluate the effectiveness of strategic management. This research set out to fill that void by providing a comprehensive empirical examination of the ways in which strategic management techniques affect the success of a leading Kenyan commercial bank.

## **CHAPTER THREE**

### **3.0 METHODOLOGY**

#### **3.1 Introduction**

This section details the procedures used in order to gather and analyse the data for this research. It covers everything from the study's demographic and sampling methodology to the research design and data gathering methods and processes. The process for assessing the research's credibility and validity is also detailed there. Lastly, the chapter describes the research's adherence to ethical standards, including how data was analyzed and presented..

#### **3.2 Research Methodology**

The researcher explored in this chapter the methods for analyzing KCB's performance and strategic management practices. A mixed-methods strategy which blended quantitative and qualitative research techniques was used in order to obtain a comprehensive grasp of this subject. This method enabled a more thorough investigation of the ways in which strategy development, execution, assessment, and control affect the bank's performance.

#### **3.3 Research Design**

A research design is a strategy for investigating the present and other phenomena with the use of several research data sources to support the study's findings (Li, Y., and Zhang, S., 2022). Using a descriptive research approach, this study looked at how KCB's strategic management approaches affected their performance. Descriptive research was particularly suited for this investigation, as it allows for the collection of detailed information about the current state of the bank's strategic management processes (Li & Zhang, 2022). By using surveys, the research captured quantitative data on various strategic practices such as formulation, implementation, evaluation, and control as well as qualitative insights from management personnel. This approach enabled a comprehensive understanding of how these practices are perceived and implemented within the organization.

#### **3.4 Location of the Study**

The location of this study was Kenya, specifically focusing on KCB, one of the largest and most prominent commercial banks in the country. Founded in July 1896, KCB has established a significant presence in the banking sector, with an extensive network of branches and ATMs across Kenya and a growing footprint in the East African region (KCB Group, 2022). Nairobi, the capital and economic center of Kenya, is home to the bank's headquarters, where the study was carried out. Within this ever-changing setting, we were able to investigate KCB's strategic management

practices in the face of rising competition, new technologies, and shifting consumer expectations in the banking industry. It was the hope of this research that by analyzing KCB, a frontrunner in Kenya's banking industry, we may learn more about the ways in which strategic management techniques affect organizational performance.

### 3.5 Target Population

According to Lewis (2015), all people, events, and elements that share a characteristic make up the target population. A population, as described by Mugenda and Mugenda (2019), is an extensive list of examples, people, objects, elements, subjects, and things that have observable characteristics in common. Management-level staff at KCB's head office, Kencom Branch, Nairobi, constituted the study's target group. Middle managers, functional managers, and the senior management team were all part of this group of employees. The distribution of the target population is shown in Table 1.

**Table 1: Target Population Distribution Table**

S/N	Category	No. of employees	Percentage
1.	Senior Managers	27	19.4
2.	Middle level managers	43	30.9
3.	Functional managers	69	49.6
	<b>Total</b>	<b>139</b>	<b>100.0</b>

*Source; KCB Group (2024).*

The intended audience consisted of 139 people: 27 upper-level managers, 43 intermediate managers, and 69 functional-level managers. The proportion of senior management team members was the lowest (19.4%), with functional level managers being the largest group (49.6%).

### 3.6 Sampling Procedure and Technique

The researchers at KCB used a census sampling strategy to get their hands on data from every important stakeholder. A census was preferred above alternative sample techniques because of small target population. A census sample technique was both practicable and possible, considering the comparatively tiny size of this population. According to Lewis (2015), a census enables the inclusion of every member of the target group, guaranteeing that all viewpoints are recorded, in contrast to larger populations when sampling techniques like random or stratified sampling may be required to ensure representativeness. The technique involved gathering data from every individual within the defined population, which, in this case, included all management and staff members across various departments and levels within the organization. Given the relatively modest size of the target population, as shown in table 1 above, the approach was deemed suitable.

This research set out to fill in the gaps in our understanding of current strategic management techniques and their effect on performance by conducting a census-style survey. Due to the elimination of sampling error and the comprehensive comprehension of all workers' viewpoints and experiences regarding strategy design, execution, assessment, and control, this approach proved very useful for this study.

### **3.7 Sample Population**

In order to draw conclusions about the larger population, researchers choose a subset of that group (the "research population sample") using a predetermined procedure (Oso and Onen, 2019). A census sampling approach was used to assure extensive data gathering since the target population was tiny. Since there was no point of sampling in the Census design, all of the respondents were able to participate, which helped boost the study's dependability. This disproved the idea of subjective preferences. Consequently, the study sample was representative of the research's target population.

### **3.8 Data Collection Instruments**

A semi-structured questionnaire, developed to solicit detailed replies while enabling adaptability in investigating the subtleties of KCB's strategic management practices, served as the principal research tool for this investigation. The survey asked respondents to rank their level of comfort with four different phases of strategy development: planning, execution, evaluation, and control. The semi-structured style worked well since it allowed for natural flow of discussion while yet giving respondents opportunities to provide perspectives that the researcher would not have thought of otherwise. Furthermore, in order to guarantee that the data acquired was reliable and valid, the semi-structured questionnaire was pilot tested to make sure it was clear and applicable. This allowed for revisions before the complete administration to participants.

### **3.9 Testing of Validity and Reliability**

#### **3.9.1 Reliability Test**

The degree to which a research tool yields consistent results after numerous trials is known as reliability (Cooper and Schinder, 2017). In order to address any shortcomings, reliability tests help assess the study questions' applicability and intelligibility. Pilot studies are used to acquire reliability measures. A pilot study involving 10 randomly chosen functional, medium, and senior level management employees of KCB's Haile Selassie Branch was conducted to test the study's reliability. The results are as presented in section 4.3 of the report.

### **3.9.2 Validity Test**

What we mean when we talk about validity is the honesty of an investigation's results. Similarly, it is seen as the extent to which a study instrument assesses the variables it specifies. A study's validity may also tell you how well its results represent a certain concept (Mugenda & Mugenda, 2019). The validity assessment focused on the appearance, substance, and concept validity of the questionnaire. Specialists, particularly faculty supervisors, were engaged by the researcher to ensure the face validity of the questionnaire. An extensive review of relevant theoretical and empirical literature was conducted to ensure content and construct validity of this study's research variables.

### **3.10 Data Collection Methods and Procedures**

A drop-and-pick questionnaire administration technique was adopted in data collection. In this approach, the researcher first distributed the semi-structured questionnaires directly to the selected participants at various locations within the bank, ensuring that employees from different departments and levels of management are included. This method not only enabled a more personal connection, encouraging higher response rates, but also allowed participants to complete the questionnaire at their convenience, reducing the pressure often associated with real-time responses after which the filled surveys were collected.

According to Lewis (2015), the drop-and-pick method ensured that the data collection process is organized and thorough, enabling the researcher to maintain a high level of engagement with the participants while also ensuring the confidentiality and anonymity of their responses. Overall, this approach was expected to yield rich and reliable data that accurately reflects the perspectives of KCB employees regarding the strategic management practices in place at the bank.

### **3.11 Data Analysis Techniques and Procedures**

The statistical package for the social sciences, SPSS, was used to manage and analyse the data sets that were collected for this research. Following data entry into SPSS for descriptive statistics, an overview of the demographics of the respondents and their views on strategic management methods were produced based on the completed questionnaires. In addition, a multiple regression model was used by the researcher to investigate any connections between the investigated strategic management techniques and the bank's performance.

This model helped identify the extent to which each practice contributes to performance outcomes, allowing for a nuanced understanding of their interdependencies. The regression analysis provided insights into potential predictive relationships, helping to highlight which strategic practices are most influential. Ultimately, this thorough data analysis approach aimed to yield meaningful results that can inform strategic recommendations, enhancing management practices and overall performance.

The following multiple regression model was used

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon,$$

Where;

Y: Bank Performance, X1 = Strategy Formulation, X2 = Strategy Implementation, X3= Strategy evaluation, X4=Strategy control,  $\beta_1 - \beta_4$  = Beta coefficients and  $\epsilon$  is the error.

The analyzed results were presented in figures and tables.



### **3.12 Ethical Consideration**

The researcher made sure the study complies with ethical standards by getting the appropriate permissions before collecting data. To ensure the study complies with all regulations and protects the interests of KCB bank workers, the researcher went to the upper management for their stamp of approval. This step was vital for establishing trust between the researchers and the organization, as well as creating an environment where participants feel comfortable providing honest and reliable responses.

Not only that, but the researcher also got the go-ahead from the university's Ethics and Review Committee and submitted an application for a research authorization to NACOSTI. These measures strengthened the research's credibility by making sure it followed all applicable institutional and national rules and laws.

Alongside securing these approvals, other ethical considerations were prioritized throughout the research process. Participants were fully informed about the study's purpose, their right to withdraw at any time, and the confidentiality of their responses. Informed consent was obtained to ensure that participants voluntarily agree to take part in the study with a clear understanding of how their data will be utilized. The anonymity of respondents is maintained in this report, allowing presentation of findings without revealing individual identities

## CHAPTER FOUR

### 4.0 RESEARCH FINDINGS, ANALYSIS, PRESENTATION AND DISCUSSION

#### 4.1 Introduction

Data analysis, including presenting and interpreting findings, is covered in this chapter.

#### 4.2 Response Rate

A grand number of 139 surveys were sent out to people. A total of 121 surveys were sent back for evaluation. A response rate of 87% was considered enough for analysis and drawing conclusions.

Table 2 shows a breakdown of the study response rate

**Table 2: Study Response Rate**

No. of Questionnaires distributed	No. of Questionnaires returned	Response Rate
139	121	87%

*Source (Author, 2025)*

#### 4.3 Pilot test results

##### 4.3.1 Reliability tests

A measure of internal consistency called Cronbach Alpha ( $\alpha$ ) was used to ascertain the instrument's dependability. The results in table 3 indicate that all variables used in the study met the threshold having attained Cronbach's alpha value above the recommended 0.7 and were thus considered for subsequent data analysis. The results were interpreted to M that internal consistency was sufficient and adequate in measuring the study variables.

**Table 3: Reliability tests**

Composite Variable	Cronbach's Alpha	No of items
Strategy formulation	.897	6
Strategy Implementation	.853	6
Strategy evaluation	.883	6
Strategy control	.850	6

*Source (Author, 2025)*

### 4.3.2 Validity tests

A reliability analysis was carried out, and the p-value (0.038) was lower than the significance level of 0.05, indicating that the validity test was successful. This proved the validity of the item data and provided further evidence of a link between the two variables.

## 4.4 Demographic Analysis

### 4.4.1 Gender of respondents

The study sought to establish the distribution of respondents according to gender. The results are as summarized below

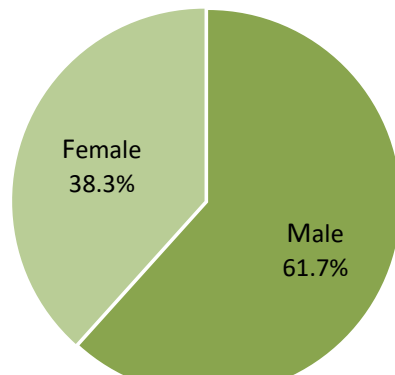


Figure 4.1: Respondents' gender distribution

The breakdown in figure 4.1 shows that majority of the respondents were found to be males, as they made up 61.7%, while females represented only 38.3%. The reason this gender composition was formed this way was likely the fact that there exist more male employees than females and also females were less willing to respond to the questionnaires than males.

### 4.4.2 Age of respondents

The participants were asked to indicate their age bracket. The results were summarized and presented in table 4.

**Table 4: Age group of the respondents**

Age bracket	Frequency	Percent
20-29 years	35	28.3
30 – 39 years	44	36.7
40 - 49 years	32	26.7
50 years and above	10	8.3
<b>Total</b>	<b>121</b>	<b>100.0</b>

*Source (Author, 2025)*

Table 4's descriptive analysis shows that 35 respondents (or 28.3% of the total) were in the 20- to 29-year-old age range. Of the total responders, 44 (or 36.7%) fell into the 30–39 age group. People aged 50 and over made up 8.3% of the total respondents, while those aged 40 to 49 made up 26.7%. The implication is that majority of management employees of KCB are of age between 20 to 49 years of age with the interpretation that the institution has a young and vibrant workforce that is required for succession planning and for performance.

#### 4.4.3 Level of Education

The respondents' degree of education was also an aim of the investigation. After analysing the data, they are shown in table 5.

**Table 5: Level of Education**

Respondent Education Level	Frequency	Percent
Diploma level	7	6.1
Bachelor's Degree	42	34.3
Master's Degree	58	48.3
PhD	14	11.3
<b>Total</b>	<b>121</b>	<b>100.0</b>

*Source (Author, 2025)*

Tabulated in table 5 are the following levels of education held by the respondents: 48.3% held a master's degree as their highest level of qualification, 34.3% a bachelor's, 11.3% a doctorate, and 6.1% a diploma. It was also determined that most of the managers have extensive industry expertise. This Ms that the people who took part in the study had a good grasp of the subject and

research jargon, which allowed them to provide accurate information that backed up the study's aims.

#### 4.4.4 Years of service

Finding out how long respondents had been at their present employer was the primary goal of the survey. The length of time they had worked for KCB was enquired about. Summary of the results may be found in table 6.

**Table 6: Years of service**

	<b>Frequency</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Less than a year	10	8.3	8.3
1 to 3 years	14	11.7	20.0
3 to 5 years	20	16.7	36.7
Above 5 years	77	63.3	100.0
<b>Total</b>	<b>121</b>	<b>100.0</b>	

*Source (Author, 2024)*

From what we can see in Table 6, the vast majority of respondents (63.3%) have been with KCB Bank for more than five years. Of the workers, 16.7% have been with the company for three to five years, 11.7% for one to three years, and 8.3% for less than a year. Many KCB Bank respondents have been with the company for five years or more, according to the results. This results suggests that the research included participants with extensive knowledge and proper exposure; as a result, they were familiar with the connection between performance evaluation techniques and employee performance in their company. Consequently, the data collected was quite useful.

#### 4.5 Descriptive Analysis of study Variables

Finding out how KCB Bank's strategic management approaches affected staff performance was the driving force for this research. In order to study the effects of strategic management on organizational performance, the researcher used the following methods: strategy development, strategy execution, assessment, and control. Descriptive statistics for the four independent variables are shown in this part.

##### 4.5.1 Strategy Formulation

Finding out how KCB Bank's performance changed after strategy development was the primary goal of the research. Mission and vision, environmental scanning, and resource allocation are the

three operational factors that were used to formulate the strategy. In order to reach this goal, we solicited respondents to assess how much they agreed with statements on strategy development. One might choose to "strongly disagree," "disagree," "undecided," "agree," or "strongly agree" on a five-point Likert scale. Next, the replies were cross-referenced with the matching organisation performance responses. To achieve this goal, we studied the data using the following research question: "how did the strategic formulation of KCB impact their performance in Kenya?" Table 7 provides a summary of the findings.

**Table 7: Strategy Formulation Descriptive Analysis**

Item	1	2	3	4	5	M	Std. Dev.
Strategy formulation enhances performance	1.7%	8.3%	10%	53.3%	26.7%	4.37	0.95
The Bank's Mission and Vision affect the overall performance.	0%	10%	10%	53.7%	26.7%	4.46	0.92
The Bank has incorporated the Vision and Mission into the various Organizational Departments.	3.3%	10%	18.3%	55%	13.3%	4.26	1.00
Examining the nature of the company's operations and procedures is something the bank does thoroughly.	0%	10%	16.7%	56.7%	16.7%	4.31	0.97
When assessing both the internal and external business environments, my organisation uses methods like the PESTEL, SWOT, and Porte's Five Forces analysis.	3.3%	16.7%	15%	41.7%	23.3%	3.40	1.35

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An operational budget is used by the bank to summarise the use of firm resources by management.

**Overall M**

**4.15**

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*Source (Author, 2025)*

With a M score of 4.37, most respondents agreed (Table 7) that strategy design improves performance. With an average score of 4.46, 80.4% of those who took the survey also agreed or believed that the bank's vision and purpose impact the overall performance. The bank has integrated its vision and purpose throughout its different organizational areas, according to 68.3% of respondents, who gave it a M score of 4.26. Also, with Ms of 4.31 and 3.40, respectively, 73.4% and 65% of respondents agreed that the bank thoroughly examines the type of business operations and processes involved. They also mentioned that their employer uses tools like PESTEL, Porter's five forces, and SWOT matrix to analyse the external and internal business environments. An operational budget, which summarizes how managers are meant to spend corporate resources, is used by the bank, according to 76.7% of workers, who also agreed with this (7.12 M). Since the majority of respondents agreed with the assertions on the impact of strategy formulation on performance, the total M score of 4.15 suggests that strategy formulation influences strategic performance. These findings point to a strong connection between KCB bank's strategy development and organizational success.

#### **4.5.2 Strategy Implementation**

Determining the impact of strategy execution on KCB bank's performance was the second purpose of this research. We used three sub-variables—stakeholder engagement, communication, and resource allocation—to operationalize the strategy implementation variable. In order to do this, we created statements that addressed the three indicators: resource allocation, stakeholders, and communication. We then asked the respondents to rate how much they agreed with each statement. One might choose to "strongly disagree," "disagree," "undecided," "agree," or "strongly agree" on a five-point Likert scale. After that, we compared the replies to the dependent variable, which had the same answers. "What is the effect of strategy implementation on performance of KCB?" was the research question used to analyse data related to this target. Table 8 summarizes the findings.



**Table 8: Strategy implementation Descriptive Analysis**

Item	2	3	4	5	M	Std. Dev.
Organizational performance is enhanced when sufficient resources are allocated to put strategies into action.	5%	3.3%	51.7%	40%	3.38	1.25
In order to boost organizational effectiveness, resources are distributed fairly throughout the departments.	5%	8.3%	46.7%	40%	4.71	0.81
Stakeholders get performance reviews from managers.	10%	25%	45%	20%	4.28	0.67
Roles are assigned to stakeholders based on their abilities.	1.7%	27.7%	53.3%	23.3%	3.49	1.92
Managers are able to constantly convey the status of strategy execution because to the company's structure.	5%	16.7%	50%	28.3%	4.60	0.98
Workers are kept apprised of the strategy's progress on a regular basis.	8.3%	30%	35%	26.7%	4.21	1.79
<b>Overall M</b>					<b>4.11</b>	

*Source (Author, 2025)*

Table 8 shows that almost all respondents (91.7%) believe that organisations function better when sufficient resources are allocated to execute strategies. on average, 3.38. The vast majority of respondents (86.7%) believe that the bank's resources are distributed fairly across departments in order to boost organizational effectiveness, with a M score of 4.71. Not only that, but with averages of 4.28 and 3.49, respectively, 76.6% and 65% of respondents believed that managers do

provide stakeholders with performance feedback. When asked whether the company's structure allows management to routinely discuss the success of strategy execution and if workers are often informed about the strategy, 78.3% and 61.7% of the respondents, respectively, agreed with a M score of 4.60 and 4.21. With a M score of 4.11, we may conclude that strategy execution correlates significantly with organizational performance.

### 4.5.3 Strategy Evaluation

The third aim of the research was to find out how KCB bank's performance was affected by strategy review. Three sub-variables—process, incentives, and monitoring and evaluation—were used to operationalize the aim. To accomplish this, we used an agreement/disagreement grading system for comments about the strategy assessment approach with the intended responders. The three indications of strategy assessment—process evaluation, incentives, and monitoring and evaluation—were covered by the questionnaire questions and statements. One might choose to "strongly disagree," "disagree," "undecided," "agree," or "strongly agree" on a five-point Likert scale. Subsequently, the replies were contrasted with the matching responses on the performance of the bank. This goal's data was examined in light of the following research question: "how does strategy evaluation impact the performance of KCB?" Table 9 summarizes the findings.

**Table 9: Strategy Evaluation Descriptive Analysis**

Item	1	2	3	4	5	M	Std. Dev.
The Bank has monitoring, incentive, and performance measuring systems	0%	8.3%	13.3%	45%	33.3%	3.85	0.79
Outcome of evaluation process is communicated to all management levels.	1.7%	8.3%	15%	46.7%	28.3%	3.72	1.48
Rewarding individuals responsible for successful performance	3.3%	3.3%	13.3%	40%	40%	3.10	0.89

improves organization overall performance										
The Bank has monitoring, incentive, and performance measuring systems.	1.7%	5%	18.3%	40%	35%	3.63	1.38			
Evaluation involves all the employees in the organization.	3.3%	5%	15%	51.7%	25%	4.61	0.92			
Organization has systems in place to determine the success of strategy implementation	1.7%	10%	18.3%	48.3%	21.7%	3.98	0.98			
<b>Overall M</b>						<b>3.81</b>				

Source (Author, 2025)

Table 9 summarizes the findings of the survey, which showed that 78.5% of people think the bank has procedures in place to measure performance, incentives, and monitoring, with a projected M score of 3.85. With a M score of 3.72, most respondents also agreed that all levels of management get feedback on the assessment process. Descriptive analysis also showed that the bank has monitoring, incentive, and performance measuring systems (Ms: 3.10 and 3.63, respectively), and that awarding individuals responsible for successful performance improves organisation overall performance (80% and 75%, respectively). Furthermore, with a M score of 4.61 and a standard deviation of 3.98, respectively, 76.7% and 70.0% of the workers in the organisation agreed that evaluation incorporates all of the organization's employees and that their employer, KCB Bank, had processes in place to evaluate the effectiveness of plan execution. If you look at table 4.9, you can see that the overall M for the indicators is 3.81. This Ms that most respondents agreed with the assertions about how strategy assessment and organizational performance are used. Organizational performance is enhanced by strategic process, reward, monitoring, and evaluation, which in turn implies a link between strategy assessment and strategic management practices.

Similarly, Ahmed and Mukhongo (2021) found that strategy review had a favorable and substantial effect on performance, which is consistent with our results.

#### **4.5.4 Strategy Control**

The study's fourth and last goal was to look at how KCB Bank's performance was affected by strategy control. Controls over the premise, controls over the surveillance, and controls over the implementation make up the variable. For this purpose, we asked our target audience to tick a box indicating their level of agreement with statements on the relationship between strategy control and the financial institution's performance. The assertions made by the questionnaire's items pertained to the aforementioned three approach control indicators. One might choose to "strongly disagree," "disagree," "undecided," "agree," or "strongly agree" on a five-point Likert scale. After that, we compared the replies to the dependent variable, which had the same answers. This goal's data was examined in light of the following research question: "how does strategy control impact the performance of KCB?" Table 10 summarises the findings.



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**Table 10: Strategy control Descriptive Analysis**

<b>Item</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>M</b>	<b>Std. Dev.</b>
The way we provide our services is susceptible to changes in demographics.	0%	5%	28.3%	41.7%	25%	3.92	0.95
In both the internal and exterior arenas, we have the ability to compete.	0%	8.3%	13.3%	28.3%	50%	4.14	0.68
Strategy implementations are enhanced via milestone reviews.	1.7%	1.7%	8.3%	50%	38.3%	4.29	0.64
Modern, sophisticated technology has been embraced by the organisation.	3.3%	10%	13.3%	48.3%	25%	3.93	1.63
Workers' input during strategy execution improves decision-making.	18.3%	6.7%	26.7%	43.3%	18.3%	3.71	1.71
The organization's strategic objectives are advanced by consistent information exchange.	6.6%	5%	21.7%	43.3%	23.3%	3.78	1.67
<b>Overall M</b>						<b>3.96</b>	

*Source (Author, 2025)*

Table 10's descriptive analysis showed that, on average, 3.92 out of 4,66.7% of respondents agreed that changes in demographics may affect the provision of services. On the other hand, with a M score of 4.14, 78.3% of those who took the survey also believed that the bank can compete with rivals both inside and outside the company. Also, according to the descriptive analysis, 88% of respondents felt that milestone reviews help with strategy implementations, and 73.3% said that

the company has employed newly created technology for strategy surveillance, with respective Ms of 4.29 and 3.93. In addition, 66.6% and 61.6% of the workers, respectively, agreed that frequent information exchange in the organisation promotes strategic objectives and that employees' engagement in strategy execution helps in decision making.

The respondents were in agreement that strategy control significantly impacts bank performance, as seen by the aggregate M of 3.96 items. This suggests that, if managers are to attract, motivate and promote good performance, they need to employ strategic control measures that take into account the environment, technology and skillset of the organization.

#### 4.5.5 Employee Performance

Bank performance constituted the study's dependent variable which was operationalized into three sub-variables namely net profit increase, market share and customer satisfaction. Using phrases that represented markers of strong performance or capacity to perform better, we asked the target respondents to agree or disagree on them. This allowed us to establish the bank's performance capabilities in relation to the strategic management plans. In order to gauge how people felt about KCB's success in terms of net profit, market share, and customer happiness, the survey used statements and questions designed to elicit responses. A five-point Likert scale was given to accomplish this, with 1 representing severely disagreeing, 2 representing disagreeing, 3 representing uncertain, 4 representing agreeing, and 5 representing strongly agreeing. Questions on the KCB bank's performance were presented with the option to agree or disagree. Table 11 provides a summary of the findings.

**Table 11: Employee Performance Descriptive Analysis**

Item	1	2	3	4	5	M	Std. Dev.
The profitability of your organisation	5%	8.3%	20%	41.7%	25%	3.85	1.08

is enhanced via the implementation of strategies.

Over the last three years, the organization's bottom line has seen a marked improvement.	0%	5%	6.7%	50%	38.3	4.67	0.70
Recent years have been quite fruitful for the bank.	5%	5%	20%	50%	20%	4.26	0.67
In the last decade, the organisation has grown.	0%	6.7%	23.3%	48.3%	21.7%	4.02	0.82
Over the last three years, there has been an uptick in consumer satisfaction.	3.3%	0%	6.7%	53.3%	36.7%	4.85	0.62
Due to strategic management process, the Bank has in the recent past increased its market share.	13.3%	8.3%	25%	48.3%	13.3%	3.90	0.84
<b>Overall M</b>						<b>4.26</b>	

*Source; (Author, 2025)*

Table 11 shows that, on average, 3.85 out of 4,66.7% of respondents think that strategy execution increases the bank's profitability. The majority of respondents (88.3%, on a M score of 4.67) also agreed that the bank's strategic management approaches had enhanced profitability during the previous three years. According to the descriptive analysis, 70% of the participants felt that the bank has grown substantially in the previous few years, and 70% felt the same way about its expansion over the last decade, with Ms of 4.26 and 4.02, respectively. The majority of the study's participants (90%) also agreed or indicated that customer satisfaction has increased over the last three years, with a M score of 4.85. Finally, 61.6% of respondents believed that the bank's recent growth in market share is attributable to strategic management practices, according to the descriptive study on bank performance. Based on these findings, it's clear that most people who

took the survey think the bank's strategic management approaches help boost their performance. The items' total M is 4.26. This was taken to indicate that the bank's organizational performance was much improved by using strategic management approaches.

#### **4.6 Inferential Analysis**

After collecting data, the researcher used inferential statistics to find out how the independent variables relate to the dependent one. The use of more than one statistical analysis in the study sought to validate the results and explore the existence of any form of discrepancies.

##### **4.6.1 Correlation Analysis**

The correlation analysis results are as presented in table 12 below



**Table 12: Correlation between study variables**

		Strategy formulation	Strategy implementation	Strategy evaluation	Strategy control
Strategy formulation	Pearson Correlation	1	-.074	-.210	.348
	Sig. (2-tailed)		.707	.283	.070
	N	60	60	60	60
Strategy implementation	Pearson Correlation	-.074	1	-.063	.082
	Sig. (2-tailed)	.707		.749	.677
	N	60	60	60	60
Strategy evaluation	Pearson Correlation	-.210	-.063	1	.180
	Sig. (2-tailed)	.283	.749		.361
	N	60	60	60	60
Strategy control	Pearson Correlation	.348	.082	.180	1
	Sig. (2-tailed)	.070	.677	.361	
	N	60	60	60	60

Source; (Author, 2025)

Table 12 displays the findings of a correlation study that looked at the connections between four variables in strategic management: strategy creation, strategy execution, strategy assessment, and strategy control. The Pearson correlation coefficients show how strongly and in what direction various variables are related to each other. It is clear from these findings that;

- a) The correlation coefficients range between **-0.210 and 0.348**, which indicates weak relationships between the variables.
- b) The significance values (Sig. 2-tailed) for all correlations are greater than 0.05, indicating that none of these correlations are statistically significant.

#### 4.6.2 Multiple Regression Analysis

To find out how the strategic management techniques affected KCB Bank's performance, the data was run through a multiple regression model. Table 13 summarises the findings of the multiple regression model.

**Table 13: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.769 <sup>a</sup>	.591	.516	1.0262

a. Predictors: (Constant), strategy formulation, strategy implementation, strategy evaluation, strategy control

Table 13 shows that the four independent factors were able to statistically and substantially predict KCB performance with an R<sup>2</sup> value of 0.591. At KCB Bank, strategies may explain as much as 59.1 percent of the variation in company performance. Strategies are formulated, implemented, evaluated, and controlled. This indicates that, all else being equal, the four strategic management practices—strategy creation, strategy execution, strategy assessment, and strategy control—could lead to a 59.1 percent increase in employee performance for KCB Bank.

#### 4.6.3 Analysis of Variance (ANOVA)

The model and its fit to the phenomena under examination were further confirmed by conducting an Analysis of Variance (ANOVA), with findings summarized in table 14.

**Table 14: ANOVA Summary Table**

		ANOVA <sup>a</sup>				
Model		Sum of Squares	Df	M Square	F	Sig.
1	Regression	24.44	4	6.11	7.599	.000
	Residual	44.22	55	0.804		
	Total	68.66	59			

a. Dependent Variable: Bank Performance

b. Predictors: (Constant), Strategy formulation, strategy implementation, strategy evaluation, and strategy control

According to the results of the ANOVA in table 14, the research found that the regression model had a significance level of  $0.000 < 0.05$ , suggesting that the data was suitable for drawing conclusions about the parameters of the study population. What this Ms is that the independent

variables do a much better job of predicting the dependent variable than the intercept alone, statistically speaking.

#### 4.6.4 Regression Coefficient Analysis

To find out how much of an impact each of the four independent factors had on the dependent variable, we ran a regression analysis. The results of the regression coefficients are shown in Table 16.

**Table 15: Regression Coefficient Analysis Table**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	90.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	<b>2.215</b>	1.231		2.712	.030	.713	5.228
Strategy formulation	.412	.071	.328	5.573	.023	.422	.592
Strategy implementation	.334	.112	.210	2.192	.044	.624	.942
Strategy evaluation	.115	.211	.067	.450	.037	.207	.627
Strategy control	.145	.232	.075	.516	.020	.539	.893

From the analysed data in table 15, the study developed the following regression equation:

$$Y = 2.215 + 0.412X_1 + 0.334X_2 + 0.115X_3 + 0.145X_4 + e$$

whereby

Y is Bank Performance;  $X_1$  is Strategy Formulation;  $X_2$  is Strategy Implementation

$X_3$  is Strategy Evaluation;  $X_4$  is Strategy control and e = error term

According to the regression coefficient analysis results in table 15, independent variables have a varying positive significant effect on the dependent variable with interpretations as follows;

There was a favourable and statistically significant relationship between strategy design and KCB's performance. With everything else being equal, a 0.412 point improvement in performance is achieved by KCB for every one unit change in strategy design. This suggests that the KCB's performance was more likely to improve after strategy development than to decline. Employees are more likely to agree that strategy formation increases performance of KCB if they agree with statements on strategy formulation rather than disagree with them.

A favourable and statistically significant impact on the performance of KCB was seen upon strategy execution. Assuming all other variables remain same, a 0.334 improvement in performance is achieved by KCB for every one unit change in strategy execution. This shows that the strategy implementation approach has a higher chance of improving KCB's performance than of lowering it. To rephrase, if an employee is asked to rate the likelihood of agreeing or disagreeing with descriptive statements about strategy implementation, the employee is more likely to agree that strategy implementation enhances the performance of KCB.

There was a favourable and statistically significant relationship between the strategy review management technique and the performance of KCB. With all other variables held constant, KCB's performance improves by 0.115 points for every one point shift in strategy assessment. That strategy review had a positive effect on KCB's performance rather than a negative one is evident from the data. What this means is that the likelihood of an employee agreeing that strategy evaluation improves KCB's performance rises if they agreed with more practice description statements than they disagreed.

A favourable and statistically significant impact on the performance of KCB was also seen from strategy control. Assuming all other variables remain same, a one-unit shift in strategy control improves KCB's performance by 0.145. The results show that the KCB's performance was more likely to go up after implementing strategy control rather than down. To rephrase, the likelihood that a respondent would agree that strategy control improves KCB's performance rises when comparing agreement to disagreement on strategy control descriptive statements.

#### **4.7 Discussion of the Findings of the Research Study**

Examining how KCB Bank's performance was impacted by strategic management approaches was the overarching objective of this research. The four approaches to strategic management—planning, executing, evaluating, and controlling—were the main points of discussion. Table 4.14 shows the results of the binomial regression analysis that was conducted to achieve this goal. Three major conclusions are backed up by the study's analysis. To start, the findings in chapter four support the idea that the four stages of strategy development—planning, execution, assessment, and control—had a favourable impact on KCB Bank's performance. Secondly, the correlation between the four factors and the improvement in the bank's performance is statistically significant. Third, KCB Bank's performance may be explained by the four factors, which together account for about 59.1% of the variation. These results back up the study's model and are in line

with the expected associations. This indicates that the bank has a rise in net profit, market share, and customer happiness as the implementation of these strategic management strategies increases.

#### **4.7.1 Strategy Formulation**

Determining the association between strategy design and employee performance at KCB Bank was the primary purpose of this research. Strategy development at KCB Bank is positively correlated with other strategic management activities, but the link is minor, according to the study's results. The correlation analysis revealed that strategy formulation had a Pearson correlation of 0.348 with strategy control, -0.210 with strategy evaluation, and -0.074 with strategy implementation, all of which were statistically insignificant. Despite this, the multiple regression analysis demonstrated that strategy formulation, alongside strategy implementation, evaluation, and control, accounted for 59.1% of the variance in organizational performance, indicating that while strategy formulation is important, its influence is not independent but rather intertwined with other strategic management processes.

These findings are similar to those of Bahl and Milne (2023), who found that organizations engaging in comprehensive strategy formulation processes experienced higher profitability and market share growth due to better adaptation to market dynamics. Similarly, Nyakundi and Omondi (2021) established that clearly defined strategy formulation processes improve competitive positioning and market expansion, reinforcing the idea that strategic planning is necessary for business success. The study also aligns with the work of Karanja and Mwaura (2022), who found that firms with strong strategy formulation practices performed better in financial and market outcomes, much like KCB Bank, where strategy formulation was seen to play a role in explaining business performance.

Additionally, these findings are similar to those of Mwangi and Njeri (2023), who found that structured strategy formulation contributed to competitive advantage, increased profitability, and market share growth among Kenyan banks. While the study at KCB Bank confirms that strategy formulation is a key aspect of strategic management, it suggests that its effectiveness is largely dependent on how well it integrates with strategy implementation and control, which supports the argument made in prior research that strategy formulation alone is insufficient in driving overall business success.

#### 4.7.2 Strategy Implementation

Finding out how the execution of the plan affected the performance of KCB bank was the second aim. Research shows that KCB Bank's performance improves after strategy execution, and this improvement is statistically significant. Assuming all other conditions stay constant, the research indicated that performance increases by 0.334 for every one unit increase in strategy implementation. This indicates that performance is more likely to increase for organizations whose strategic plans are implemented properly. Additionally, respondents who acknowledged the effectiveness of strategy implementation were more likely to report its positive impact on organizational success. This aligns with the idea that the allocation of resources, stakeholder engagement, and clear communication play a crucial role in ensuring successful implementation.

Consistent with these results, Hutzschenreuter and Kleindienst (2022) discovered a favourable correlation between strategy execution and KPIs like profitability and customer happiness. Aligning organizational culture with strategic objectives is crucial, as Nkhata and Nyamakope (2023) showed that companies with strong implementation frameworks had better financial performance and operational efficiency. These findings are consistent with those of Wamuyu et al. (2021), who discovered that commercial banks improved their customer service and operational outcomes when their implementation techniques were well-structured. This included having defined responsibilities, accountability measures, and continuous performance reviews. Similarly, Oduor et al. (2022) found that effective resource allocation, employee training, and performance measurement positively correlated with improved financial outcomes among banks, reinforcing the importance of ongoing development initiatives.

Maroa and Muturi (2019) looked at how strategy implementation affected floriculture industry performance, but they came to the opposite conclusion, stating that implementation had no impact on performance because of obstacles like staff reluctance to change, a lack of dedication, and insufficient funding. Similarly, Ali (2022) found that in some SMEs, ineffective implementation led to strategy failure, as poor coordination and weak leadership diluted the intended strategic outcomes. While the current study highlights the strong positive role of strategy implementation at KCB Bank, these contrary findings suggest that the effectiveness of implementation may be

context-dependent, requiring strong organizational structures, leadership, and adaptability to ensure success

### **4.7.3 Strategy Evaluation**

Strategic review improved KCB Bank's performance, according to the results. This improvement was statistically significant. According to the research, performance increases by 0.115 points for every one unit increase in strategy assessment, if all other parameters stay the same. This suggests that strategy evaluation contributes to improved organizational performance, particularly by providing a structured process for assessing strategic effectiveness. Respondents who supported strategy evaluation practices were more likely to agree that it positively influences KCB's performance, emphasizing the role of monitoring and feedback mechanisms in refining strategic actions.

These findings are similar to those of Abdalla (2020), who found that organizations with structured evaluation processes experienced better decision-making and strategic alignment, leading to improved performance. Similarly, Nyariki (2017) highlighted that strategy evaluation serves as a critical feedback loop, enabling firms to make necessary adjustments that enhance their competitiveness and operational efficiency. The study also aligns with the work of Pearce and Robinson (2017), who emphasized that strategy evaluation helps organizations measure their progress and take corrective actions where necessary, leading to sustainable growth.

However, these findings contrast with those of Maroa and Muturi (2019), who studied the floriculture industry and found that strategy evaluation had an insignificant effect on performance. Their study attributed this to inadequate follow-through on evaluation recommendations and a lack of commitment from management in implementing necessary changes. Similarly, Woldmeskel (2020) found that in some sectors, strategy evaluation does not directly translate into better performance due to challenges such as resistance to change and lack of resources. While the current study confirms the positive role of strategy evaluation at KCB, these contrary findings suggest that its effectiveness depends on an organization's commitment to integrating evaluation results into decision-making processes.

#### 4.7.4 Strategy Control

The results show that KCB Bank's performance is positively and significantly impacted by strategy control. The research indicated that, all else being equal, performance increases by 0.145 points for every one unit increase in strategy control. This suggests that strategy control mechanisms, such as premise control, surveillance control, and implementation control, contribute to better organizational performance by ensuring that strategies are effectively monitored and adjusted when necessary. Respondents who agreed with the presence of strong strategy control systems at KCB were more likely to acknowledge their role in improving performance.

These results are in line with those of Hadrian, Milichovský, and Mráček (2021), who demonstrated that strategic controls are vital for improving organizations' efficiency and effectiveness via tracking advancement and applying remedial measures. Likewise, Kanwal and Yousaf (2019) found that strategic control systems, when well-structured, help firms align their strategic initiatives with their operational goals, leading to improved financial and market performance. Similarly, Matari et al. (2018) found that companies with strong management control systems performed better due to their ability to track progress and adjust strategies based on changing market conditions.

However, these findings contrast with those of Woldmeskel (2020), who assessed strategy control in the education sector and found that it had an insignificant effect on performance. The study attributed this to challenges such as lack of managerial commitment and the failure to integrate control mechanisms with strategic planning. Similarly, Gavetti and Ocasio (2017) argued that in highly dynamic environments, excessive control mechanisms can sometimes stifle innovation and slow down decision-making, ultimately reducing organizational adaptability. While the current study confirms that strategy control positively contributes to performance at KCB, these contrasting findings suggest that its effectiveness depends on the industry context and how well control mechanisms are integrated with overall strategic management processes.

## CHAPTER FIVE

### 5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

Discussions of the main results are included in the chapter. This document details the impact on KCB Bank's performance of the four stages of strategy development: formulation, execution, assessment, and control. In light of the results, the chapter draws some conclusions and offers some ideas for future studies..

#### 5.2 Summary of the Results Findings

According to the results, KCB's (KCB) better performance is largely attributable to the strategic management procedures of developing, implementing, evaluating, and controlling the bank's strategy. A total of 88.3% of respondents acknowledged a rise in profitability over the previous three years, and 66.7% of those same respondents agreed that plan execution boosts profitability, according to the descriptive analysis. Not only that, but 90% of those who took the survey agreed that customer satisfaction had gone up, and 70% said they could tell the bank has grown. The results of the study's regression analysis provided further evidence of a favourable and statistically significant correlation between strategic management practices and the performance of the banks. The independent variables explained about 59.1% of the variation in the banks' performance. According to the findings, improving KCB Bank's financial performance, market share, and customer happiness is heavily dependent on strategy development, execution, assessment, and control..

Moreover, inferential statistical analysis, including correlation and regression analysis, revealed that strategy formulation had the most significant impact on the bank's performance, increasing it by 0.412 per unit change. Strategy implementation followed closely, contributing an increase of 0.334, while strategy evaluation and strategy control had positive but relatively smaller impacts of 0.115 and 0.145, respectively. The study further demonstrated that KCB's success in maintaining profitability and expanding its market share is closely linked to its adoption of strategic management practices, particularly in the use of evaluation frameworks, modern technology, and employee participation. The ANOVA analysis also confirmed that the model used in the study was statistically significant ( $p\text{-value} < 0.05$ ), indicating that the strategic management variables

significantly predict bank performance. These findings reinforce the need for structured and consistent strategic planning, monitoring, and control mechanisms to sustain long-term organizational success.

### **5.3 Conclusions of the Research Study**

This research investigated how strategic management techniques affect KCB performance. Analysis centered on four strategic management practices: formulation, implementation, assessment, and control. The results showed that these strategic management strategies impact the bank's performance, explaining a large amount of the difference in profitability, market share, and customer happiness. The correlation and regression analysis showed how each strategic practice affects organizational performance, emphasizing the need for integrated strategic management.

Regarding strategy formulation, the study established that while it plays a crucial role in setting organizational direction, its effect on performance is not independent but rather dependent on how well it integrates with other strategic management practices. Although a positive relationship was observed, its correlation with performance was relatively weak, suggesting that without proper implementation and control, formulated strategies may not yield optimal results.

Strategy implementation emerged as the most influential factor in determining organizational performance. The research found that resource allocation, stakeholder participation, and communication improve strategic initiative implementation. Organisations must prioritise execution as much as strategy design due to the significant positive association between strategy implementation and performance.

For strategy evaluation, the findings demonstrated that continuous assessment and monitoring of strategic initiatives contribute positively to performance. The study reaffirmed that organizations that regularly evaluate their strategies and adjust them accordingly are better positioned to sustain competitive advantages and improve operational efficiency. However, the study also highlighted that for strategy evaluation to be effective, it must be accompanied by a strong commitment from management to act on evaluation findings.

Finally, strategy control had a considerable favorable influence on performance, demonstrating that monitoring methods like premise control, surveillance control, and implementation control are

necessary to keep strategies aligned with organizational goals. The study emphasized that effective strategic control helps organizations stay adaptable in dynamic environments, preventing deviations that could hinder performance.

The research suggests that strategic management methods help KCB and other financial institutions succeed. While each practice contributes uniquely to performance, their effectiveness is maximized when they are implemented in a coordinated and integrated manner. The findings highlight the need for banks and other organizations to continuously refine their strategic management processes to enhance competitiveness, efficiency, and long-term sustainability.

## **5.4 Recommendations for Practice to**

### **5.4.1 Authorities for Implementation**

First, that research suggests that regulatory bodies like the CBK and KBA encourage policies that institutionalize integrated strategic management frameworks throughout the banking industry. Strategy formulation had the greatest impact on organizational performance, highlighting the necessity for systematic strategic planning to drive long-term vision, resource allocation, and competitive positioning. Authorities will promote financial sector stability and resilience by encouraging banks to build comprehensive strategy formulation frameworks. This suggestion supports Kenya's Vision 2030 Economic Pillar, which promotes financial institution efficiency to boost development. It supports SDG 8 (Decent Work and Economic Growth) by supporting sustainable and inclusive economic practices and SDG 9 (sector, Innovation, and Infrastructure) by improving finance sector strategic innovation.

### **5.4.2 Service Users/Beneficiaries (KCB Management)**

Secondly, KCB's management should invest in strengthening internal communication, leadership engagement, and staff alignment to strategic objectives, as part of improving strategy implementation. The research found that strategy implementation boosts organizational performance. Therefore, ensuring that all stakeholders clearly understand the bank's strategic goals and are equipped to execute them effectively is essential for achieving performance outcomes. This recommendation aligns with Vision 2030's Political Pillar, particularly its emphasis on reforming public institutions to ensure more effective service delivery. Additionally, it contributes

to SDG 16 (Peace, Justice and Strong Institutions), by enhancing institutional effectiveness, and SDG 8, by supporting productive employment and organizational efficiency.

A third recommendation is for KCB to enhance its monitoring and evaluation (M&E) mechanisms. While the study established that strategy evaluation contributes positively to performance, it also identified gaps in systematic reviews and feedback mechanisms within KCB. Developing robust M&E frameworks will enable real-time adjustments and ensure that implemented strategies remain relevant in an evolving financial environment. This project supports Vision 2030's commitment to public and private sector accountability and results-based management, which are essential for service excellence. It supports SDG 17 (Partnerships for the Goals) by improving data-driven assessment systems and SDG 12 (Responsible Consumption and Production) by encouraging sustainable decision-making.

Furthermore, KCB should strengthen its strategy control systems by integrating risk-based and performance-linked indicators to enable timely detection of threats and strategic deviations. The study highlighted that strategy control, though impactful, requires greater emphasis on real-time surveillance and adaptive control systems. This suggestion supports Vision 2030's Economic Pillar by making banks more competitive and agile, allowing them like KCB to adapt to financial market developments. Globally, it promotes SDG 9 (Industry, Innovation, and Infrastructure) by fostering resilient business systems and SDG 11 (Sustainable Cities and Communities) by ensuring financial institutions can serve dynamic urban populations.

### **5.4.3 Other Stakeholders (Banking Sector and Academia)**

For other stakeholders, especially peer commercial banks and financial institutions, the study recommends the adoption and adaptation of KCB's best practices in strategy formulation and innovation. By benchmarking against high-performing institutions, banks can improve their strategic focus, customer satisfaction, and operational performance. This recommendation aligns with Vision 2030's goal of building a globally competitive and prosperous Kenya through financial sector deepening and inclusion. It promotes SDG 10 (Reduced Inequalities) by fostering equitable access to financial innovation and SDG 8 by enhancing financial services efficiency and access.

Finally, academics and researchers should perform longitudinal and comparative studies to assess strategic management approaches in commercial banks' long-term consequences. This would create theory and support evidence-based policy and practice. Such initiatives are in line with Vision 2030's Social Pillar, which underscores the importance of investment in research,

innovation, and knowledge-driven development. Moreover, this supports SDG 4 (Quality Education), by promoting research and capacity-building, and SDG 9, by encouraging innovation-led development across sectors, including finance.

### **5.5 Recommendations for further research in the Strategic Management Field**

To identify how strategic management techniques change and how they affect corporate success, future study should examine their longitudinal implications on organizational performance. Comparative research across businesses and geographies would also show how strategic management ideas apply beyond banking. Researchers might also examine how AI and big data analytics improve strategy development, execution, and control. Additionally, studying the obstacles to strategy implementation, including as reluctance to change, resource limits, and regulatory restrictions, may provide ways to overcome them.

Finally, future research should include additional strategic management approaches not addressed in this study to get more empirical information on commercial bank performance and strategic management. This study's four strategic management techniques and bank performance measures may have been incomplete. Thus, further research is needed to identify additional parameters and measurements to improve study model robustness, generalisability, and validity.

### **5.6 Implication of the Research Study on Strategic Management**

This research has major implications for strategic management, notably in banking. Instead of strategy creation alone, integrated strategic management techniques must be implemented, evaluated, and controlled to improve organizational performance, according to the research. This emphasizes the necessity for firms to have a holistic approach to strategy, connecting all strategic stages. The study also emphasizes the importance of adaptability in strategic planning, as organizations must continuously refine their strategies based on market changes, technological advancements, and competitive pressures. For strategic management scholars and practitioners, these findings suggest that organizations should shift their focus from just crafting strategies to ensuring their practical execution and continuous assessment, thereby bridging the gap between theoretical strategy models and real-world business performance.

Furthermore, the study contributes to the growing body of knowledge on strategic management in emerging markets, offering insights into how financial institutions in Kenya apply strategic management principles to enhance competitiveness. By demonstrating that strategy

implementation has the most direct impact on performance, the research challenges conventional wisdom that places greater emphasis on strategy formulation and instead highlights the execution phase as the key determinant of success. Additionally, the study provides empirical evidence supporting the role of strategic control mechanisms in maintaining alignment between organizational objectives and operational realities, reinforcing the need for continuous monitoring and corrective action in strategic management. These insights can inform policymakers, business leaders, and academicians in designing more effective strategic frameworks that enhance both organizational sustainability and industry competitiveness.



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**APPENDICES**

**Appendix I: Research Consent Form**

**Title of Study:** Strategic Management Practices and Performance of KCB in Nairobi, Kenya

**Principal Investigator:** Mr. Faustine Muthama  
**University Affiliation:** Mount Kenya University  
**Supervisor:** Dr. Francis Kijogi, School of Business and Economics  
**Contact Information:** Email: [fmuthama09@gmail.com](mailto:fmuthama09@gmail.com) ; Phone number: +254701865753

**Purpose of the Study:** This research examines how planning, execution, assessment, and control affect Nairobi's KCB performance.

**Procedures:** Participation involves completing a 10–20-minute questionnaire. Selected participants may be invited for a follow-up interview.

**Voluntary Participation:** Participation is voluntary, and you may withdraw at any time without penalty.

**Confidentiality:** Your replies are private and used exclusively for academic reasons. No PII will be published.

**Risks and Benefits:** There are no expected risks. Your input may help improve strategic management practices in banking.

**Consent Statement**

By signing below, you confirm that you understand the study and agree to participate voluntarily. You may withdraw at any time. For clarification, contact the researcher using above contacts.

**Participant's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Researcher's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

## Appendix II: Research Instrument

### Preamble

My name is **Faustine Muthama**, a Master of Business Administration (MBA) Student at Mt. Kenya University specializing in Strategic Management. As a prerequisite for the award of MBA Qualification, I am required to conduct a research study on a topic of choice. I would appreciate your contribution to this study titled “*effects of strategic management practices on performance of KCB*”. The purpose of this study is to generate a comprehensive research report. The questions in here concern your position, personal information and your perceptions on how of strategic management practices adopted by the bank affect its on performance. Participation is voluntary and information provided will be treated with utmost confidentiality and will only be used for academic purposes.

### Section A: Demographic & Organizational Data

*This section contains questions regarding your personal and work information. Kindly tick appropriately*

1. Gender                      Male                       Female

2. Age

20-29 years                      30-39 years                      40-49 years                      50 and above

3. Highest academic level

Diploma                       Bachelors                       Masters

PhD                       Other                       Other specify here .....

4. State your KCB service duration

Less than a year                       1 to 3 years                       3 to 5 years                       Above 5 years

## SECTION B

### Impact of Strategic Management Practices on Performance of KCB.

This part talks about how the KCB's success is affected by strategy development, strategy implementation, strategy review, and strategy control. It is necessary that you say how much you agree or disagree with the claims.

#### I. Strategy Formulation

6. What percentage of the time do you adhere to the following claims about how KCB's plan affects its performance? (Tick appropriately)

(1= Strongly Agree, 2=Agree, 3= Undecided, 4=Disagree and 5=Strongly Disagree)

S/N	Statement	1	2	3	4	5
1.	Creating a strategy improves success					
2.	The Bank's Mission and Vision have an effect on how well it does generally.					
3.	The Bank has built the Vision and Mission into all of its organizational departments.					
4.	The Bank looks closely at the types of business activities and procedures that are going on.					
5.	Tools like PESTEL, Porter's Five Forces, and the SWOT Matrix are used by my boss to look at both the internal and external business settings.					
6.	The bank has a working budget that tells managers how to spend the money the company has.					

## II. Strategy Implementation

7. How much do you support the following claims about how putting the plan into action has affected the success of KCB? (Tick appropriately)

*(1= Strongly Agree, 2=Agree, 3= Undecided, 4=Disagree and 5=Strongly Disagree)*

S/N	Statement	1	2	3	4	5
1	Giving the right tools to implementing a plan makes an organisation more successful.					
2	The areas are each given an equal share of the resources so that the organization's success goes up.					
3	Managers tell stakeholders how things are going with success.					
4	It is clear to stakeholders what their roles and duties are.					
5	The way the company is set up lets managers regularly report on how the plan is being carried out.					
6	A lot of information about the plan is shared with the workers.					

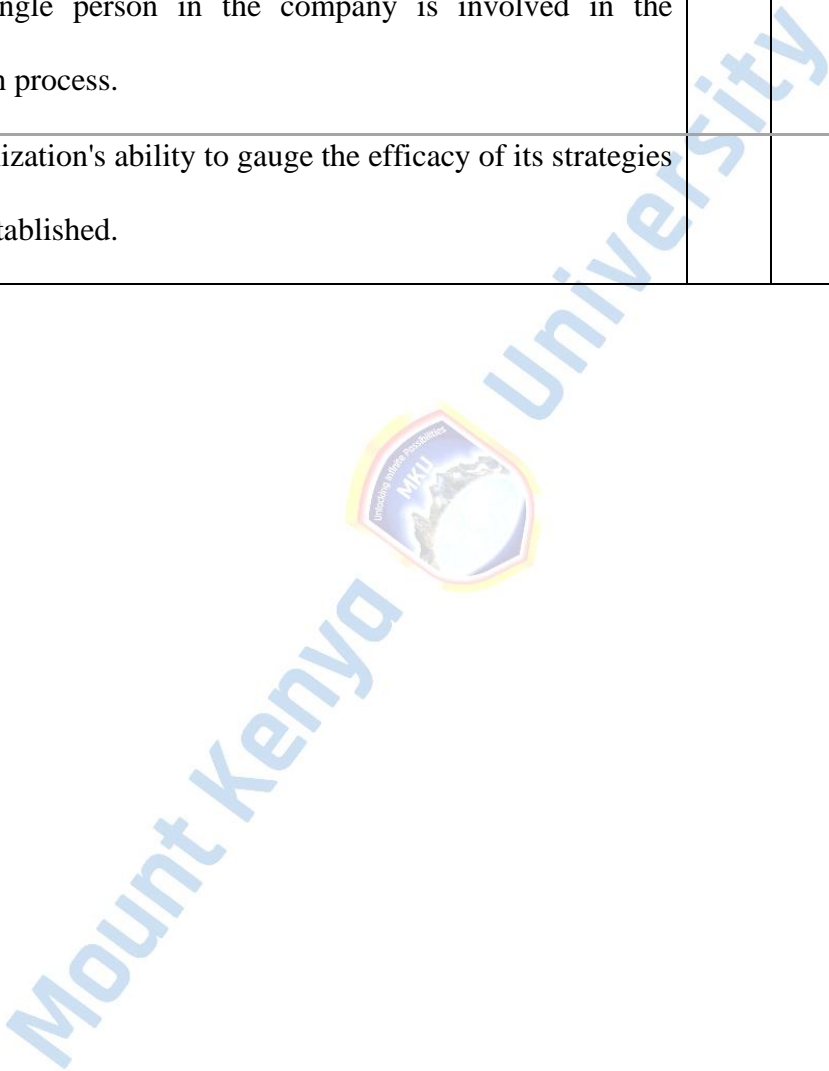
## III: Strategy Evaluation

8. Rate how much you agree with each of the following claims about how strategy review affects KCB's performance? (Tick appropriately)

*(1= Strongly Agree, 2=Agree, 3= Undecided, 4=Disagree and 5=Strongly Disagree)*

S/N	Statement	1	2	3	4	5
1	There are procedures in place to measure performance, incentives, and monitoring at the bank.					
2	Everyone in management receives an update on the evaluation's progress.					

3	Overall organizational performance is enhanced when responsible people are rewarded for their successes.					
4	Incentives, performance evaluation, and monitoring mechanisms are in place at the bank.					
5	Every single person in the company is involved in the evaluation process.					
6	An organization's ability to gauge the efficacy of its strategies is well-established.					



#### IV: Strategy Control

9. Regarding the impact of strategic control on KCB's performance, how much do you agree with the following statements? (Tick appropriately)

(1= Strongly Agree, 2=Agree, 3= Undecided, 4=Disagree and 5=Strongly Disagree)

S/N	Statement	1	2	3	4	5
1	The way we provide our services is susceptible to changes in demographics.					
2	In both the internal and exterior arenas, we have the ability to compete.					
3	Strategy implementations are enhanced via milestone reviews.					
4	Modern, sophisticated technology has been embraced by the organisation.					
5	Workers' input during strategy execution improves decision-making.					
6	The organization's strategic objectives are advanced by consistent information exchange.					

#### Section C

#### Bank Performance

10. To what extent do you agree with the following statements related to performance (Tick appropriately)

(1= Strongly Agree, 2=Agree, 3= Undecided, 4=Disagree and 5=Strongly Disagree)

S/N	Statement	1	2	3	4	5
-----	-----------	---	---	---	---	---

<b>1</b>	The profitability of your organisation is enhanced via the implementation of strategies.					
<b>2</b>	Over the last three years, the organization's bottom line has seen a marked improvement.					
<b>3</b>	Recent years have been quite fruitful for the bank.					
<b>4</b>	In the last decade, the organisation has grown.					
<b>5</b>	Over the last three years, there has been an uptick in consumer satisfaction.					
<b>6</b>	Due to strategic management process, the Bank has in the recent past increased its market share.					

**Thank You for Your Participation**

**Appendix III: Letter of Introduction/Ethical Clearance**



**DIRECTORATE OF GRADUATE STUDIES**

MBA/2023/38209

30<sup>th</sup> January, 2025

*National Commission for Science Technology & Innovation (NACOSTI)  
Off Waiyaki Way, Upper Kabete,  
P.O Box 30623- 00100  
NAIROBI, KENYA*

Dear Sir/Madam,


**RE: FAUSTINE MUTHAMA PETER - REGISTRATION NO. MBA/2023/38209**

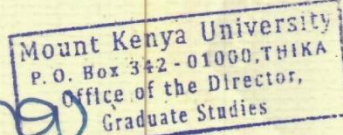
The purpose of this letter is to introduce the above named student who is pursuing **Master of Business Administration** in the department of **Accounting and Finance** in the school of **Business and Economics**.

The title of the research is "**Strategic Management Practices and Performance of Kenya Commercial Bank in Nairobi Kenya.**" It has been cleared by the University's Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data between **February, 2025 and April, 2025**.

Any assistance accorded to the student will be highly appreciated.

Thank you.

  
Dr. Samuel M. Karenga, PhD  
Director, Graduate Studies  
Enc.



## Appendix IV: Letter Authorization



REF: MKU/ISERC/4734

Date: 30 January 2025

TO: FAUSTINE MUTHAMA PETER

REG: MBA/2023/38209

Dear Sir/Madam,

**RE: STRATEGIC MANAGEMENT PRACTICES AND PERFORMANCE OF KENYA COMMERCIAL BANK IN NAIROBI KENYA**

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **3456**. The approval period is **30/01/2025 - 29/01/2026**.

This approval is subject to compliance with the following requirements;

- i. Only approved documents including informed consents, study instruments, MTA will be used
- ii. All changes including amendments, deviations and violations are submitted for review and approval by **Mount Kenya University**
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **Mount Kenya University** within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to **Mount Kenya University** within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
- vii. Submission of an executive summary report within 90 days upon completion of the study to **Mount Kenya University**


Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke> and also obtain other clearances needed.


Yours sincerely,

**Dr. Alfred Owino, PhD**  
Chairman, Mount Kenya University ISERC




# Appendix V: Research Permit

  
REPUBLIC OF KENYA

  
NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY & INNOVATION

Ref No: **241040**      Date of Issue: **11/February/2025**


**RESEARCH LICENSE**




**This is to Certify that Mr.. Faustine Muthama Peter of Mount Kenya University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: STRATEGIC MANAGEMENT PRACTICES AND PERFORMANCE OF KENYA COMMERCIAL BANK IN NAIROBI KENYA for the period ending 11/February/2026.**

License No: **NACOSTI/P/25/415841**

Applicant Identification Number **241040**

  
Director General  
NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY &  
INNOVATION

Verification QR Code



NOTE: This is a computer generated License. To verify the authenticity of this document,  
Scan the QR Code using QR scanner application.

See overleaf for conditions

**THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013 (Rev. 2014)**  
Legal Notice No. 108: The Science, Technology and Innovation (Research Licensing) Regulations, 2014

The National Commission for Science, Technology and Innovation, hereafter referred to as the Commission, was established under the Science, Technology and Innovation Act 2013 (Revised 2014) herein after referred to as the Act. The objective of the Commission shall be to regulate and assure quality in the science, technology and innovation sector and advise the Government in matters related thereto.

**CONDITIONS OF THE RESEARCH LICENSE**

1. The License is granted subject to provisions of the Constitution of Kenya, the Science, Technology and Innovation Act, and other relevant laws, policies and regulations. Accordingly, the licensee shall adhere to such procedures, standards, code of ethics and guidelines as may be prescribed by regulations made under the Act, or prescribed by provisions of International treaties of which Kenya is a signatory to.
2. The research and its related activities as well as outcomes shall be beneficial to the country and shall not in any way;
  - i. Endanger national security
  - ii. Adversely affect the lives of Kenyans
  - iii. Be in contravention of Kenya's international obligations including Biological Weapons Convention (BWC), Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), Chemical, Biological, Radiological and Nuclear (CBRN).
  - iv. Result in exploitation of intellectual property rights of communities in Kenya
  - v. Adversely affect the environment
  - vi. Adversely affect the rights of communities
  - vii. Endanger public safety and national cohesion
  - viii. Plagiarize someone else's work
3. The License is valid for the proposed research, location and specified period.
4. Neither the license nor any rights thereunder are transferable.
5. The Commission reserves the right to cancel the research at any time during the research period if in the opinion of the Commission the research is not implemented in conformity with the provisions of the Act or any other written law.
6. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research.
7. Excavation, filming, movement, and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
8. The License does not give authority to transfer research materials.
9. The Commission may monitor and evaluate the licensed research project for the purpose of assessing and evaluating compliance with the conditions of the License.
10. The Licensee shall submit one hard copy, and upload a soft copy of their final report (thesis) onto a platform designated by the Commission within one year of completion of the research.
11. The Commission reserves the right to modify the conditions of the License including cancellation without prior notice.
12. Research, findings and information regarding research systems shall be stored or disseminated, utilized or applied in such a manner as may be prescribed by the Commission from time to time.
13. The Licensee shall disclose to the Commission, the relevant Institutional Scientific and Ethical Review Committee, and the relevant national agencies any inventions and discoveries that are of National strategic importance.
14. The Commission shall have powers to acquire from any person the right in, or to, any scientific innovation, invention or patent of strategic importance to the country.
15. Relevant Institutional Scientific and Ethical Review Committee shall monitor and evaluate the research periodically, and make a report of its findings to the Commission for necessary action.

National Commission for Science, Technology and  
Innovation(NACOSTI),  
Off Waiyaki Way, Upper Kabete,  
P. O. Box 30623 - 00100 Nairobi, KENYA  
Telephone: 020 4007000, 0713788787, 0735404245  
E-mail: [dg@nacosti.go.ke](mailto:dg@nacosti.go.ke)  
Website: [www.nacosti.go.ke](http://www.nacosti.go.ke)

**Appendix VI: Research Budget**

<b>S/N</b>	<b>ITEM</b>	<b>Units</b>	<b>Cost (Ksh) per unit/Time/Month</b>	<b>Total Amount (Ksh)</b>
1	<b>Proposal Development/ Presentation</b> Proposal printing	5 copies	1000	5000
2	<b>Stationery and Internet Data</b> Pens Note books Internet services (study period)	15 3 10 months	100 1000 2500	1500 3000 25,000
3	<b>Data Collection and Analysis</b> NACOSTI Permit Fees Printing of questionnaires Field travel and subsistence Research Assistant	- 140 10 days 15 days	1000 100 4000 5000	1000 14000 40,000 75,000
4	<b>Thesis Report Preparation</b> Printing of thesis Report Binding fee	3 Copies 3 copies	3000 1500	9000 4500
	<b>Data Entry and Analysis Software</b> SPSS Software purchase fee	1	20,000	20,000
	<b>Sub- TOTAL</b>			<b>198,000</b>
5	Contingencies (10% of the estimated total cost)			19,800
	<b>TOTAL</b>		-	<b>217, 800</b>

### Appendix VII: Research Work Plan

S/N	ACTIVITIES	TIMEFRAME
1	Research idea/Concept paper development	January 2024
2	Literature Review	Feb, March, April 2024
3	Research Proposal development	April, May 2024
4	Proposal Presentation and Defense	September 2024
5	Data collection, analysis & Reporting	September and October 2024
6	Defense of Research Project Report	November 2024
7	Submission of final project report	November 2024

# Appendix VIII: Similarity Index Report



## Faustine Peter

### Faustine Muthama - MBA proposal copy.docx

- Thesis
- Master
- Mount Kenya University

#### Document Details

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