

**FACTORS INFLUENCING IMPLEMENTATION OF BLUE OCEAN
STRATEGY ON PERFORMANCE OF COMMERCIAL BANKS IN KENYA**

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DECLARATION AND APPROVAL

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

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Signed.....

Date: 5th November 2024

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

Dr. Ruthwinnie Munene.

Mount Kenya University



Signed.....

Date: 5th Novemebr 2024



DEDICATION

This project is dedicated to my mother Margaret and my children Jeremy, Joan and Jade. You have a special position in my heart.



ACKNOWLEDGEMENT

Above everything, I give thanks to the Almighty God for His boundless love, provision of safety, provision of sound health, provision of wisdom, and for giving me the gift of life. I want to thank my supervisor, Dr. Ruthwinnie Munene, for all of her help, advice, criticism, and encouragement while I was developing this project.



TABLE OF CONTENTS

DECLARATION AND APPROVAL	Error! Bookmark not defined.
DEDICATION	3
ACKNOWLEDGEMENT	v
LIST OF TABLES	ix
LIST OF FIGURES	ix
LIST OF ABBREVIATIONS AND ACRONYMS	xi
ABSTRACT.....	xii
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study	1
1.1.1 Concept of Blue Ocean Strategy.....	2
1.1.2 Implementation of Blue Ocean Strategy.....	8
1.1.3 An Overview of Kenya's Banking Sector	9
1.2 Statement of the Problem.....	9
1.3 Purpose of the Study	11
1.3.1 Specific Objectives	11
1.4 Research Questions.....	12
1.5 Significance of the study	12
1.6 Scope of the Study	13
1.7 Limitations of the study	13
1.8 Delimitation of the study	14
1.9 Assumptions of the Study	14
1.10 Definition of Operational Key Terms	15
CHAPTER TWO	16
LITERATURE REVIEW	16
2.1 Introduction.....	16
2.1.1 Blue Ocean Strategy	16
2.2.2 Strategic leadership and implementation of Blue Ocean Strategy.....	18
2.2.3 Core Competencies and implementation of blue ocean strategy	22
2.2.4 Organization Structure	25
2.3 Theoretical review	27
2.3.1 Resource Based Theory	27
2.3.2 Competency Based Theory.....	28
2.3.3 Miles and Snow Based Theory	28
2.3.4 Porter's Competitive Theory	29
2.4.5 Value Innovation Theory	30

2.5 Conceptual Framework.....	33
2.4 .1 Strategic Leadership	34
2.4.2 Core Competency	34
2.4 .3 Organization Structure.....	35
CHAPTER THREE	37
RESEARCH METHODOLOGY.....	37
3.1 Introduction.....	37
3.2 Research Design	37
3.3. Target Population of the Study	37
3.4 Sampling technique and Sample Size.....	38
3.5 Research Instrument	40
3.6 Piloting.....	40
3.6.1 Validity	40
3.6.2 Reliability	41
3.7 Data Collection Procedure.....	41
3.8 Data Analysis and Presentation	42
3.9 Ethical Standards	42
CHAPTER FOUR.....	43
DATA ANALYSIS AND PRESENTATION OF FINDINGS.....	43
4.1 Introduction.....	43
4.2 Response Rate.....	43
4.2.2 Reliability of Study Variables.....	44
4.3 Background Information.....	45
4.3.1 Respondents Gender	45
4.3.2 Respondents Age	46
4.3.2 Distribution of the Respondents Based on Level of Education	46
4.3.4 Respondents Experience	47
4.4 Descriptive Findings and Discussions	48
4.4.1 Statements relating on Blue ocean strategy implementation through Strategic Leadership and Commercial bank performance.....	48
4.4.2 Statements on core competencies factors on implementation of blue ocean strategy on commercial banks in Kenya performance	51
Source: Survey Data (2024).....	52
4.4.3 Statements relating to organizational structure issues affect implementation of blue ocean strategy on performance of commercial banks in Kenya	54
Source: Survey Data (2024).....	54
4.5 Diagnostic Test	56
4.5.1 Autocorrelation Assumption Test.....	56
4.5.2 Normality Assumptions Test	57

4.5.3 Test of Multicollinearity	58
4.6 Results of the Linearity Test.....	59
4.7 Inferential Statistics	61
4.7.1 Correlation Analysis	61
4.7.2 Strategic leadership and performance of Commercial Bank	61
4.7.2 Core competencies and Commercial Bank Performance.....	62
4.7.3 Organization Structure and Commercial Bank Performance.....	63
4.8 Regression Analysis.....	63
Table 18: Regression Coefficients.....	65
CHAPTER FIVE.....	66
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	66
5.1 Introduction.....	66
5.2 Summary of Major Findings.....	66
5.2.1 Strategic leadership and performance of commercial bank in Kenya	66
5.2. Core competencies and performance of commercial bank in Kenya.....	67
5.2.3 Organization structure and performance of commercial bank in Kenya	67
5.3 Conclusions.....	68
5.4 Recommendations.....	68
REFERENCES	70
APPENDIX.....	71
Appendix 1: Informed Consent	71
Appendix 11: Research Questionnaire	73
Appendix IV: Work Plan	76
Appendix V: Budget.....	77
Appendix VI: Licensed Commercial Banks In Kenya.....	78
Appendix VII: KUREC Approval Letter	80
Appendix VIII: Mount Kenya University Research Authorization Letter	80
Appendix IX: NACOSTI Research Permit.....	81
Appendix X: TURNINTIN	84



LIST OF TABLES

Table 1: Target Population	41
Table 2: Sample Size	43
Table 3: Response Rate	47
Table 4: Reliability Results	48
Table 5: Statements on strategic leadership implementation of blue ocean strategy and Commercial bank performance	53
Table 6: Core Competencies affect implementation of blue ocean strategy and the performance of commercial banks in Kenya	56
Table 7: Organizational Structure Issues on implementation of blue ocean on performance of commercial banks in Kenya	58
Table 8 : Results of the Autocorrelation Assumption Test on implementation of blue ocean on commercial bank performance	60
Table 9: Results of the Normality Assumption Test.....	61
Table 10: Results of the Multicollinearity Assumption Test	62
Table 11: Homoscedasticity Test Results	63
Table 12: Relationship between strategic leadership and commercial bank performance	64
Table 13: Linearity between core competencies and performance of commercial banks	64
Table 14: Linearity between organization structure and Performance of Commercial Bank	65
Table 15: Strategic Leadership and Performance of Commercial Bank	66
Table 15: Core Competencies and Commercial Bank Performance	67
Table 16: Organization Structure And Commercial Bank Performance	67
Table 17: Model Summary	68
Table 18: ANOVA	69

LIST OF FIGURES

Figure 1: Conceptual Framework	36
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Figure 2: Gender 49

Figure 3: Age Distribution 50

Figure 4: Level of Education 51

Figure 5: Work Experience 52



LIST OF ABBREVIATIONS AND ACRONYMS

BOS Blue Ocean Strategy

CBK Central Bank of Kenya

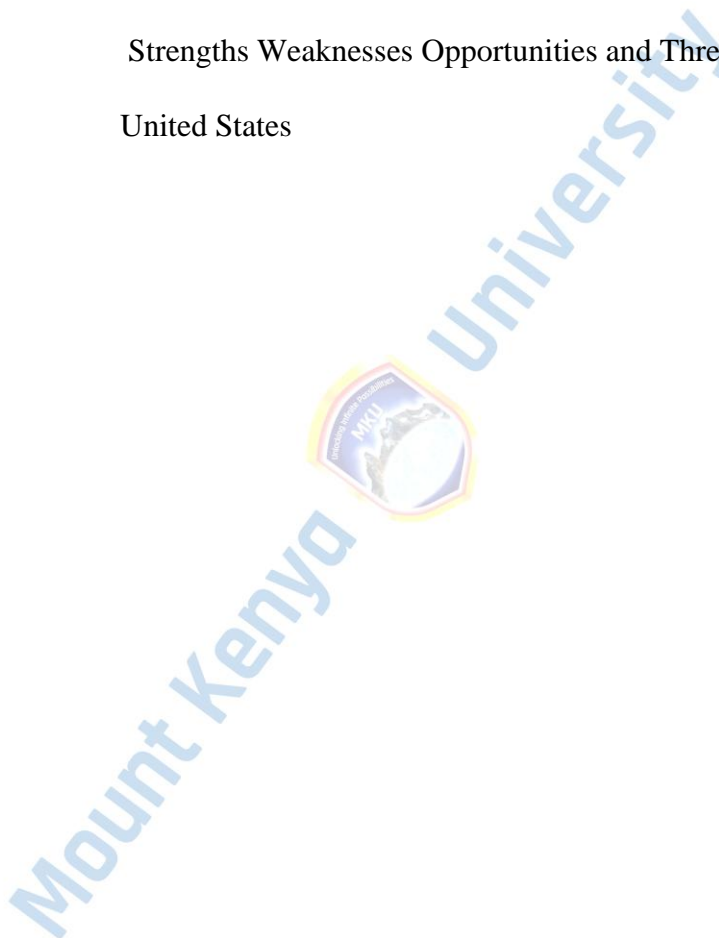
NSE Nairobi Stock Exchange

SACCO Savings and Credit Cooperative Organization

SMART Specific Measurable Achievable Realistic and Time bound

SWOT Strengths Weaknesses Opportunities and Threats

US United States



ABSTRACT

Commercial banks' financial performance is solely based on the profits provided by their operations' assets, but their loan portfolio is a highly valuable asset that, regrettably, exposes the organization to financial hazards. With increased competition, the goal of the management innovation technique known as "blue ocean" is to increase the effectiveness of corporate processes. The purpose of this study was to establish the scope of influence of on certain factors on the blue ocean strategy financial performance of commercial banks in Kenya banks. The study specifically aimed to; establish the effect of strategic leadership on the implementation of blue ocean strategy in and its influence on organization performance in commercial banks in Kenya ; assess the influence of core competencies on the implementation of blue ocean strategy on organization performance of commercial banks in Kenya and to determine the effect of organizational structure on the implementation of blue ocean strategy on organization performance of commercial banks in Kenya. The study adopted descriptive research design survey of all the 38 licensed commercial banks in Kenya at 2024. The study was premised on the research based theory, Competency based theory, Miles and snow based theory, Porters competitive theory and the Value innovative theory in its theoretical reviews. Through the use of questionnaires, the study collected primary data. In each of the commercial banks, the researcher distributed the questionnaires to the first line, middle level, and top level managers. Four commercial banks that were not included in the main study participated in a pilot test to evaluate the validity and reliability of the research tool. Statistical Package for Social Scientists (SPSS) was used to evaluate inferential statistics, whereas descriptive statistics (mean, standard deviation, and frequencies) were used to analyze the majority of the quantitative data that needed to be gathered for this study. The findings were presented using tables and charts. Ethical consideration was adhered to when carrying out the study. The results of the study showed that strategic leadership and the commercial bank performance had a moderately favorable and statistically significant association ($r = 0.549$; $p < 0.05$). There was a statistically significant and moderately favorable association ($r = 0.483$; $p < 0.05$) between core competencies and performance of commercial banks. There was a statistically significant and moderately favorable association ($r = 0.497$; $p < 0.05$) between organization structure and performance of commercial banks. The researcher recommends that organizations should have a visionary strategic leadership to enhance performance. The study recommends that organizations should consider core competencies on blue ocean strategy implementation to enhance organization performance. This study should be replicated in other Kenyan businesses to improve comparability and application in other economic sectors.



CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The banking sector in Kenya is currently one of the most competitive and dynamic in the country. It is defined by intense rivalry, with the primary obstacles being new technologies, sophisticated, global, and knowledgeable consumers, as well as a condensing market. This market has experienced a relative ease of entry after deregulation in 1995 (but significant difficulties in exit due to the strict constraints contained in the Banking Act), as well as rapid improvements in technology and technical platforms that the firms employ to acquire and keep consumers. The industry is oversupplied as a result of international rivalry, and gaining market share does not always translate into higher profits. For example, a quick follower approach is rarely successful in these conditions, and a new growth engine is rarely discovered. As a result, historical tactics are no longer effective in the industry.

A manager's strategy is an activity they take to accomplish one or more organizational goals. Another way to think about strategy is as a broad path that a corporation and its different parts take to reach a desired state in the future. According to Cooper (2019), strategy is the outcome of a thorough strategic planning process. A strategy, according to Brandt (2018), is all about integrating organizational activities and making use of and allocating the limited resources within the organizational environment in order to achieve the current goals. The fact that decisions are not made in a vacuum and that each action a company takes is likely to elicit a response from those impacted, including competitors, customers, employees, or suppliers, must be taken into account while developing a strategy (Dennis, 2017).

It is important to remember while creating a strategy that decisions are not made in a vacuum and that each action a business makes is likely to cause a reaction from those who will be affected, such as competitors, customers, employees, or suppliers. Dennis (2017). Strategy is essential to the field of strategic management. The way that companies react to their surroundings is influenced by strategic decisions. Strategy is defined by Schendel and Hofer (2019) in terms of its role within the company. According to their assertion, the goal of strategy is to give the company guidance that enables it to accomplish its goals while reacting to environmental possibilities and dangers. In order to achieve strategic goals and objectives, strategy implementation is the process of turning a chosen strategy into organizational action. Another way to define strategy implementation is how a business should develop, implement, and integrate control systems, organizational structure, and culture to pursue strategies that lead to increased performance and a competitive advantage (Dennis, 2017). Its therefore noteworthy that the contribution of leadership, their core competencies and the organostructure of the entity are key attributes for an effective blue ocean strategy. Its their scope of influence that this study seeks to underscore.

1.1. 1 Concept of Blue Ocean Strategy

According to the blue ocean approach, companies should avoid rivalry from the existing market and instead join a new market with potential clients. This strategy can help businesses and entrepreneurs increase their chances of success. To maximize its efficacy, businesses should begin the strategy as soon as they launch for business. The earlier the corporations chase a bigger profit margin, the earlier they do so. Using the blue ocean strategy, businesses can find new markets where they can optimize their cost structure and grow their client base (Gorrell, 2018). Kim and Mauborgne (2018) presented the Blue Ocean Strategy, which prompted businesses to establish a new market in order to render competition obsolete. The objective of the blue oceans approach is to target new potential

clients in order to alter a product or service and create a new market sector. There will be a certain competitive edge in this market since the competition will be irrelevant. Using the blue ocean concept can open up new opportunities for a business. In order to "swim" in the blue ocean, where competitors are irrelevant, businesses need to extend their focus and abandon the red ocean (Cooper, 2019).

According to Decker (2020), businesses that wish to advance must establish a blue ocean. Companies choose the best option, known as the blue ocean strategy, based on a number of factors, including globalization, technology, innovation, prices, and market shares. Creating a new demand and moving away from the competitors is the strategy. Red oceans are the known market space for all of the sectors that are currently in operation. In the red oceans, industrial borders are established and recognized, and the laws of competition are well understood. In this situation, companies want to outperform their rivals in order to gain a bigger share of the market for their products. If the market is crowded, there will be less room for expansion and business success. Schreier (2020) uses the term "red oceans" to describe the fierce competition that turns the ocean bloody and turns goods into commodities or niches.

In contrast, blue oceans are all undeveloped markets and firms that have not yet been affected by competition, according to Matzler (2019). In blue waters, demand is created rather than contested. There is a lot of space for rapid and lucrative growth. In blue oceans, the rules of the game are already set, thus there is no purpose in competition. The phrase "blue ocean" describes the larger and more profound market sector that has not yet been thoroughly investigated (Arakji, 2017). The intense competition in the banking industry has motivated numerous financial institutions globally to employ a range of strategies in an effort to surpass competitors and seize a substantial share of the market (Dennis, 2017).

Strategy determines which industries a company will enter or is already in, as well as defining and communicating the company's purpose in terms of long-term objectives, action plans, and resource allocation priorities, claim Hax and Majluf (2019) attempting to obtain a long-term sustainable advantage in each of its businesses by effectively responding to the business's strengths and weaknesses as well as the opportunities and dangers in its environment. Additionally, it describes the kinds of financial contributions the company intends to make to its stakeholders and involves all tiers of the hierarchy inside the company—corporate, business, and functional. The definitions and the authors' perspectives make it clear that strategy entails considering both the organization's future and its capacity for environmental adaptation.

Three layers of strategy are used by certain companies: corporate, business, and functional (Ansoff, 2019). Every strategy level focuses on a different area. The goal of corporate strategy is to specify the company's overarching mission. This may occur in a variety of industries or even within the same one. Thus, it provides the broadest overview of the company's operations and addresses the distribution of resources among its many divisions (Newman et al. 2019; Pearce and Robinson, 2019). The strategy at the business level focuses on how each of the company's businesses will compete. Each business unit's ability to maintain a competitive edge is of concern. Integrating the firm's functional activities is prioritized at this level in order to achieve the necessary competitive competence (Hax and Majluf, 2019; Pearce and Robinson, 2019).

The effective use of the resources allotted was the focus of the functional strategy. It entails managers handling activity coordination within their functional business domains. In order to effectively support the business unit plan, these activities are crucial (Hax and Majluf, 2019). Since each of these approach levels affects the performance of the others, they must be appropriately coordinated. In 2018, Kim and Mauborgne developed a novel

tactic known as the "blue ocean strategy." In fact, the red and blue oceans were the two segments of the market that Kim and Mauborgne shared. Red oceans are known market sectors that are currently in existence. Conversely, blue waters stand for uncharted market areas and nonexistent marketplaces. An organization would need to overcome major organizational obstacles, such as those related to motivation, resources, politics, and cognition, in order to execute the new strategy (Kim, Mauborgne, 2018).

Kim and Mauborgne (2018) challenge the dominant role that competition is believed to have in strategic management. Kim and Mauborgne's argument that company profits do not necessarily have to be adversely correlated with the number of businesses in an industry is at the center of this discussion. They contend that businesses can identify uncompetitive markets in which they can increase their profits. Businesses that use a blue ocean approach have studied the market and developed new products, services, and needs that are well-suited to the demand. Red oceans are oversaturated, and one way for businesses to escape them is to take on the challenge of a blue ocean strategy. Companies will face the task of establishing a new market in which the competition will initially be nonexistent and then become unimportant over time. The monopoly will be held by the firm that creates the blue ocean. In order to develop a blue ocean strategy, executives must be creative and push boundaries (Guillaume, 2021).

If businesses wish to advance, they must create a blue ocean. The blue ocean strategy is the best option that businesses take because of a number of aspects, including globalization, technology, innovation, prices, and market shares. Creating a new demand and moving away from the competitors is the strategy. Through the use of the blue ocean strategy, businesses establish a new, uncontested market where they can establish all the regulations, standards, and variables that may affect the situation. They render competition obsolete through innovation and value jump creation (Guillaume, 2021).

Global perspective of Blue Economy

In the global arena, banks have adopted the concept of blue ocean strategy which has in return influenced their performance and given them a competitive edge. Some of these banks are the Al-Rajhi bank, Agriculture bank of China which used this strategy to support the local industry and enhance public services, Studio bank in Nashville for the creators, Kontist bank in Germany, Klarna bank in Sweden among others. In addition, other companies and establishments have equally adopted the concept of blue ocean strategy as a turnaround point for their market dominance, some of which are outlined here. As per Filho (2019), Apple Computer's iPod digital music player and iTunes digital music store helped it secure a 60% market share in the digital music sector. This is an example of a highly successful blue ocean strategy. The Model T, which Ford debuted in 1908, was half as expensive as previous models. In 1980, CNN launched real-time news that was broadcast around-the-clock. After establishing a new traveling show in 1984 that blends circus and entertainment aspects, Cirque du Soleil reached a level of revenue in less than 20 years that took traditional circus organizations more than a century to reach.

In the 1970s, Japanese automakers began selling compact, fuel-efficient vehicles in the United States. In the mid-1990s, Dell Computer Corporation entered the personal computer market with a direct sales made-to-order business strategy. The United States' first 24-screen megaplex was opened by American Multi-Cinema Inc. in 1995. In an era when home theaters and VCRs were thought to be the best, the megaplex brought people back to the movie theater with its excellent seating, improved sight, and amazing sound capabilities (Whittington, 2019).

One illustration is the de facto establishment of the low-cost, no-frills airline market in Europe through the use of Southwest Airlines' successful Blue Ocean strategy in the

United States. Instead of focusing on blind spots or misconceptions inside a sector, the BOS aims to identify and capitalize on the unrealized potential of new market spaces, rendering competition obsolete (Morrison, 2018). The effects of the Blue Ocean strategy on businesses that provide high-quality services and goods are the subject of some research. Lewis (2018) defines the industry and suggests how competition affects the caliber of goods and services using the blue ocean technique. Yang, Kim, and Kim (2017) successfully establish value-added services in the Korean power industry by implementing the blue ocean concept. Chang (2018) conducts a case study on Samsung Total and discovers that Samsung uses product development to expand its electronics market share in China.

Numerous academics have demonstrated that implementing the Blue Ocean concept can increase corporate profitability while enhancing cost structure. In order to reduce expenses, Snell (2018) examines the Anheuser-Busch instance utilizing the blue ocean technique. In order to expand its market reach and increase its profitability, Wanless (2019) looks at Pender Financial Group, a bank that uses the blue ocean strategy, as an example. Some researchers have attempted to apply the Blue Ocean concept to specific industries. Menon (2018) does out research on the Indian software as a service market and suggests that companies broaden their product offerings. Other businesses across the country profit immensely from his research.

Motley (2008) applies the blue ocean method to the banking sector and discovers that by entering a new market niche with no competition, banks can lower operating costs and boost profitability. The topic of creating a blue ocean for medical education in Sweden is examined by Savage and Brommels (2018). Kim, Yang, and Kim (2018) and Shen and Zhang (2018) show how third-party logistics can reduce costs and improve their core competitiveness by implementing a blue ocean strategy.

1.1.2 Implementation of Blue Ocean Strategy

The core of the Blue Ocean strategy is strategic thinking (Pearson, Gordon, 2019), and it is founded on managers' and strategists' ideas to steer toward strategic planning procedures and activities. It is usually necessary to get behind the competitors in order to swim well in the Red Ocean. Red Ocean is seen as a feature of corporate life and has always been significant. In more areas where requirements outweigh supply, the competition will need something more than the businesses, and the fight for a piece of the squeezing markets—which is crucial to maintaining a high level of performance— may not be sufficient. To access new revenue streams and expansion prospects, they must establish a Blue Ocean (Johannessen, 2019).

Jen-te Yang (2017) conducted research in which he identified the Blue Ocean approach features in a few hotels in Taiwan. Based on the study's findings, the Blue Ocean Strategy's characteristics were determined to be: the guests' perception; the unique value added by the innovation; the creation of new market segments; brand creation and renewal; the establishment of distribution channels; the creation of strategic alliances; and the creation of a distinctive hotel atmosphere. According to Yang and Jente (2017), the hotel's confirmation results also focus on the unique value added that CRM has produced.

According to Dennis Pitta (2019), the Blue Ocean Strategy should be studied in order to articulate a perceptual strategy that can be applied in product development. Using the blue ocean strategy, he concluded, businesses can restructure their offerings to attract new clients and break away from their industry competitors. In a study published in 2019, Sheehan and Vaidyanathan investigate the use of value-making to find blue oceans. As part of their research, they described how the Ocean Blue was discovered, how to find the Blue Ocean in a unique method, how to alter the game rules, your Blue Ocean (a collection of value creation logics), which logic generates value, and how the logic of value creation

operates. The function of the new value creation mechanism in business sales strategies was examined by Parvinen et al. in 2021. They examine the Blue Ocean strategy's foundation and the various ways it manifests itself in sales management operations by beginning with the theoretical approaches of value creation and strategic marketing.

1.1.3 An Overview of Kenya's Banking Sector

Kenya's Central Bank reports that 38 commercial banks have been granted licenses. In three of the banks, which are public financial institutions, the majority of the shares are owned by the government and state businesses. The remaining portion is made up of private financial institutions. Thirteen of the private banks are international, while twenty-five are local commercial banks (CBK, 2023).

Since 2020, banks have seen a notable improvement in their financial performance. The industry has grown significantly in all aspects, including financial performance, according to data from the Central Bank of Kenya (CBK, 2023). Kenya's banking sector has expanded over the years since the Central Bank of Kenya implemented regulations to streamline operations and, more importantly, keep the sector from collapsing as it had in the past. Banks grow globally through the acquisition of well-established foreign banks or the creation of subsidiaries and branches. According to Muthungu (2023), the liberalization of global financial markets has prompted the globalization of banking systems.

1.2 Statement of the Problem

Among other reasons, commercial banks have experienced significant change as a result of shifting consumer behavior patterns, government regulations, technological advancements, service quality initiatives, pressures to increase productivity, the lifting of earlier professional association marketing restrictions, internationalization, and

globalization. The social, educational, economic, and lifestyle changes of the diverse clientele necessitate the development of new items and the rebranding of current ones. The banking industry is now very dynamic and faces unprecedented competition as a result of this. A commercial bank has been obliged to differentiate its services primarily through the use of innovative strategies in order to survive and prosper. Kyengo (2019).

This has resulted in the creation of goods and services like the strategic partnership between M Pesa and Safaricom. Nonetheless, the majority of the earlier innovations that banks have used are more "red ocean" methods than "blue ocean" ones. Thus, it would be vital to examine how Commercial Bank has implemented blue ocean initiatives, as the company has experienced significant change as a result of various variables, including shifting consumer behavior patterns and governmental regulations. Advances in technology, efforts to enhance service quality, demands to increase efficiency, the easing of prior professional association marketing limitations, internationalization, and globalization. (2023) Oloo.

Recent years have seen a sharp growth in Kenya's banking industry, with most banks making very high profits. Commercial banks must compete on innovation as a result of heightened rivalry, which is where the blue ocean strategy may be useful. Kim and Mauborgne (2019) found the new market to be exciting for wine farmers in the United States.

The goal of the current study is to ascertain the fun market for Kenyan banks. Apart from that, it's critical to determine whether international banks use the Blue Ocean Strategy in a different way than Kenyan commercial banks. Since the blue ocean theory is very new, having only been proposed in 2005, there aren't many studies on it in Kenya. Kenyan mobile content providers' use of the Blue Ocean strategy was examined in the Kyengo (2019) study. It was the first BOS study in Kenya, however it was only focused on the

telecom sector and didn't address how companies could use the strategy to grow; instead, it documented the practice of the sector.

Nyambane (2017) examined the difficulties in implementing BOS in banks; however, its breadth was constrained because it solely examined domestic institutions and not the financial sector as a whole. Additionally, the strategy's application in the banking sector was not covered; it solely focused on the difficulties associated with putting BOS into practice. The BOS was one of the methods examined by Abishua (2020) in his study of Equity Bank's competitive tactics. Because it was a case study instead of a survey, the study's scope was limited. By concentrating on the variables affecting BOS implementation on the performance of Kenyan commercial banks, the current study fills the knowledge gap on the shortcomings of earlier studies on BOS in all the registered commercial banks in Kenya. It also seeks to answer the question whether the influence of these factors on earlier case studies could hold across the banking industry in Kenya on the application of this strategy.

1.3 Purpose of the Study

The main purpose of the research study was to analyze factors influencing Blue ocean strategy on implementation on performance of commercial banks in Kenya.

1.3.1 Specific Objectives

The study specifically aimed to achieve the following objectives

- i. To establish the influence of strategic leadership on the implementation of blue ocean strategy on performance of commercial banks in Kenya.
- ii. To assess the influence of core competencies on the implementation of blue ocean strategy on performance of commercial banks in Kenya.
- iii. To determine the influence of organizational structure on the implementation of blue ocean strategy on performance of commercial banks in Kenya.

1.4 Research Questions

- i. Does strategic leadership influence implementation of blue ocean strategy on performance of commercial banks in Kenya?
- ii. Do core competencies affect implementation of blue ocean strategy on performance of commercial banks in Kenya?
- iii. Does organizational structure affect implementation of blue ocean strategy in on performance of commercial banks in Kenya organization performance?

1.5 Significance of the study

The rising corpus of knowledge on strategy, and particularly the blue ocean plan, will be enhanced by this study. In this way, the banking sector's plan will guide the use of Blue Ocean as a strategy from a developing nation. The study will be important to the management of the several banks involved in the research. How successfully the banks have integrated blue ocean initiatives into their day-to-day operations will be shown by the results. Consequently, it would encourage the use of various strategies for enhanced performance.

The industry players will find the study useful in determining the extent to which they have implemented BOS. It will also significantly add to the corpus of knowledge in the field of strategic management. Those who are interested in conducting additional research on the utilization of blue ocean methods will also find the study interesting. Because this study serves as a foundation for future research on other Kenyan businesses, it will be a helpful reference for researchers in the future.

The results will aid in educating managers of commercial banks who are unfamiliar with the potential uses and advantages of the blue ocean approach in the banking sector. The information gathered will assist commercial banks in developing and putting into practice

innovative marketing and product strategies that will result in higher profits. Bank managers would benefit greatly from the study since the results will enable them to comprehend the main issues preventing the commercial bank from implementing the blue ocean strategy.

The study's suggestions will offer a framework for direction on how to carry out the Blue Ocean initiative. Since it will add to the growing body of knowledge on the factors impacting the Blue Ocean Strategy's implementation and its consequences on organizational performance in Kenyan commercial banks, the study will be extremely important to other scholars.

1.6 Scope of the Study

The investigation was conducted at Nairobi City's business headquarters. The 180 employees of the commercial banks' head offices made up the study population. Participants in the study included 80 personnel in first line management, 60 in middle management, and 40 in top management.

In order to collect information on the key elements impacting the performance of Kenyan commercial banks as a result of the deployment of BOS, the study focused its research efforts. The research was conducted from January to November of 2024.

1.7 Limitations of the study

A significant constraint encountered in certain instances was the uncooperative participants. Due to unclear understanding, several responders were unable to complete the questions on some topics. A number of questionnaires received insufficient responses, and some respondents unexpectedly took time off before finishing the application. By

reminding the responders frequently while they were filling out the questionnaire, this was lessened.

Another significant drawback was that the questionnaire was the primary tool used to collect data. A survey questionnaire that depended on self-report responses was employed in the study to ensure that the data obtained could be managed. The use of such a questionnaire was problematic, though, because it was predicated on the idea that participants would provide truthful and accurate answers. However, this is not always the case. Participants may not always provide honest answers. Participants frequently provided responses that they thought were desirable, which explains this (Donald & Grant-Vallone, 2018).

1.8 Delimitation of the study

The study only looked at three elements that affect the performance of Kenyan commercial banks when implementing the blue ocean strategy: organizational structure, strategic leadership, and core competencies. Other elements that affect how well commercial banks do while implementing their strategies were not examined in this study.

1.9 Assumptions of the Study

This study made the assumption that the primary factors influencing how well commercial banks performed in putting the Blue Ocean Strategy into practice were organizational structure, strategic leadership, and core competencies.

The study assumed that participants would provide honest and timely responses to the questions. The study also made the assumption that the research was carried out within the timeframe and money allotted.

1.10 Definition of Operational Key Terms

Blue Ocean Strategy: is a tactic that suggests businesses enter a new market to attract clients and stay out of the competition in the current market.

Red Ocean: Represent the current market space to all of the industries that are in operation. In the red oceans, industrial borders are established and recognized, and the laws of competition are well understood.

Strategy Formulation: is used to describe the process of deciding on the best course of action to achieve the organization's vision and realize its goals and objectives.

Strategy Implementation: In order to achieve strategic goals and objectives, the business must implement the chosen strategy.

Strategic Leadership: Strategic leadership refers to a manager's capacity to express a strategic vision for the organization, or a segment of it, and to motivate and persuade others to adopt that vision.

Core Competency: A core competency is a unique skill or technology that benefits clients.

Product Innovation The process of creating new products that offer customers more value than the originals is known as product innovation.

Organizational Structure: consists of tasks that are assigned, coordinated, and supervised with the intention of achieving the goals and objectives of the organization. It is the vantage point or viewpoint that people use to see their company and its surroundings.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter examines the body of research on the variables affecting Kenyan commercial banks' performance when the Blue Ocean Strategy is implemented. The chapter examines both theoretical and empirical research on the variables affecting Kenyan commercial banks' performance when the Blue Ocean Strategy is implemented. The conceptual framework and research gaps are also covered in this chapter. Literature with Empirical Data Previous research on organizational structure, strategic leadership, core competences, and the application of blue ocean strategy is included in this section.

2.1.1 Blue Ocean Strategy

Creating value innovation that reduces expenses while raising buyer value is the primary objective of the blue ocean strategy. . Blue ocean approach is based on value innovation. Value innovation is only possible when a business's cost, pricing, and utility structures are correctly matched. Because this complete system approach incorporates all of the firm's operational and functional operations, it makes the production of blue oceans viable (Bonn, 2018). Military strategy is where most corporate strategy originates. As a result, chief executive officers who sit in corporate "headquarters" consider the actions of their customer-facing employees who work on the "front lines." The main focus of warfare has always been facing an adversary and engaging in combat over a specific territory.

Gaining market share is crucial in situations like this. Red ocean thinking is what this is (Ericsson, 2019). However, there are a few extremely special factors influencing the use of the blue ocean strategy and how it affects the performance of the organization in the modern business climate. Technology has increased industrial productivity in every

industry, resulting in supply exceeding demand in almost every market area. Highpriced specialized markets are going extinct as trade barriers decline and globalization gains traction. As the population of many developed economies declines, so does the demand for numerous items globally (Goldman, 2019).

Price wars are growing more common, profit margins are decreasing, and many products have become increasingly commoditized as a result. An increasing number of businesses will want to establish new, uncontested, and potentially very lucrative market spaces (blue oceans) in order to avoid having to fight fiercely for market share in alreadyexisting markets (red oceans) (Ellen, 2017).

The reason all blue ocean strategies work is that they prioritize value innovation over outperforming a well-established rival. Value innovation is an easy idea to comprehend: Value innovation happens when businesses match innovation to customer utility, cost, and pricing benefits. Businesses that succeed in value innovation aim for both low cost and distinction at the same time. In other words, turning non-customers into customers will greatly expand the market. Offering clients previously unattainable capabilities and components at a reasonable cost is the secret to accomplishing this. The implementation of economies of scale will eventually result in further cost reductions (Hughes, 2020).

After carefully analyzing more than 150 examples from 30 distinct industries, Kim and Mauborgne developed a set of tools known as the "Blue Ocean Strategy" (BOS) framework. The results of their research were primarily published in the book "Blue Ocean Strategy" in 2018 (Kim and Mauborgne, 2017). Given that it was chosen as the 2017 "Wall Street Journal Bestseller" and "Business Week Bestseller," this work was rapidly embraced by a large audience. According to the 2019 "Thinkers 50" ranking, the two authors are ranked fifth. The BOS is being used to search and investigate new business areas by reputable firms such as Coca-Cola, Deloitte, Procter & Gamble, and HP. Rather

than identifying market prospects ex ante, publications on the BOS framework have thus far been backward-looking and have the drawback of ex-post interpretations.

In a highly competitive context, is the BOS framework robust enough to demonstrate ex ante new, uncontested market opportunities? (Emiel, 2017). To put it succinctly, Kim and Mauborgne (2017) made the world simpler by categorizing or designating companies as either Blue Ocean or Red Ocean. Because markets are saturated and highly populated, the Red Ocean suggests intense competition and poor or diminishing earnings. Every market niche and available area seemed to have been occupied previously (Hughes, 2020). The Blue Ocean, or "all the industries not in existence today" (Kim and Mauborgne, 2019), is the opposite; here, marketplaces are underdeveloped, industry borders are not established, and competition is either nonexistent or very weak. High growth rates might be anticipated in this case.

2.2.2 Strategic leadership and implementation of Blue Ocean Strategy

In essence, strategic leadership is the application of strategy to employee management. The primary tactic typically used is to encourage employees to take the initiative to increase their productive contributions to the business. Leadership motivates others to perform appropriately, whereas strategy entails planning and thought. In order to effectively prepare the business for the future, this management style educates and motivates staff (Ericsson, 2019).

Strategic leaders are constantly anticipating the future and assessing the current situation to get ready for potential developments in the company. This leadership style places a lot of emphasis on awareness, but it needs to be accompanied by thoughtful action. Strategic leaders are flexible and focused on expansion. They assume accountability for completing

tasks by educating staff members on how to think and behave more efficiently in order to get the greatest outcome for the business (Goldman, 2020).

One of the primary objectives of strategic leadership is productivity. But it's not only about doing more work; it's also about strategic productivity, or working more for the company's benefit. While always keeping the company's best interests in mind, the strategic leadership style also values the individual abilities and efforts of each employee (Bonn, 2018). The vision and direction for an organization's expansion and success are provided by strategic leadership. Effective change management requires that all CEOs has the skills and resources necessary to create and implement initiatives. Strategic leaders who can provide their workgroups with a sense of direction and encourage ownership and alignment are essential for managing uncertainty and change.

The constant struggle for leaders is to live up to the expectations of their people (Bonn, 2018). In order to meet these expectations, strategic choices and actions are typically required. The ability to adapt a strategy to changing circumstances is essential for its success. To effectively modify the strategy and then define, shape, and implement the organizational reaction, however, leaders cannot learn, act, and learn quickly enough on their own. If leaders want to succeed, they must rely on the strategic goal being understood by the organization's workforce, who will then execute the existing plan and make necessary adjustments as needed.

The difficulty lies not just in coming up with a winning plan at one moment in time, but also in persuading staff members to be intelligent and driven enough to carry it out and adjust it as circumstances change. This means that the leader must pay equal attention to the strategy's content (the analytical dimension) and its development process (the human dimension) (Ericsson, 2019).

The most significant issues in strategic management are increasingly being recognized to be related to strategy implementation rather than strategy formation. One crucial step in the strategic management process is implementing the plan and motivating the company to move toward strategy achievement (Hughes, 2019). This is the phase of strategy implementation. It is the process by which plans, budgets, and procedures are developed in order to implement strategies and policies. One of the primary forces behind the successful execution of a plan has been found to be leadership, and more especially strategic leadership. Since its action plan and judgment on how swiftly or aggressively to press for change define the form of the implementation and the course of the process, leadership plays a critical role.

To accomplish organizational objectives, a leader must be able to organize, motivate, foster culture, set up strategic controls, work through others, and generate strong alignments between strategy and organizational operations (Chepkirui, 2017). Furthermore, strategic leadership is the capacity to persuade a team to accomplish objectives. According to a study by Chepkirui (2017) on the role of strategic leadership at the Agricultural Development Corporation (ADC), the successful implementation of the corporation's plan depends on strategic leadership.

People in the company are inspired by its role to embrace change and put plans in place that will help realize the strategic vision. Choosing a strategic direction, creating an organization, establishing a culture that works, managing the organization's resource portfolio, Among the responsibilities of strategic leadership in strategy execution include enforcing ethical compliance, communicating strategy, creating operational plans and short-term goals, and establishing balanced organizational controls. The recommendations made by this study will be helpful to academics, researchers, the

government, the company under examination, and any other organization or person who would want to use the data acquired from the study.

According to certain studies, Blue Ocean strategy and innovation are mutually reinforcing. Businesses could use value innovation to generate Blue Ocean, according to Colman and Buckley (2018). According to Meyer (2018) and Kim and Mauborgne (2018), blue ocean strategies assist businesses in innovating and launching new goods. Leavy (2018) demonstrates that businesses that pursue the blue ocean generate higher value. According to Sushil (2016), the presence of blue ocean forces forces businesses to adapt. According to Moyer (2016), businesses stay in the current market by improving and refining their current offerings. Businesses can gain a competitive edge and enter a Blue Ocean where no one else is by inventing or simply making little adjustments. According to Meyer (2018) and Kim and Mauborgne (2018), blue ocean strategies assist businesses in innovating and launching new goods. Leavy (2018) demonstrates that businesses that pursue the blue ocean generate higher value.

Morris (2017) demonstrates that companies who employ the blue ocean strategy to tackle the innovation issue will reap substantial benefits from their innovations. Kim, Baik, Kazman, and Han (2018) assert that while many innovative techniques are ineffective in today's fiercely competitive marketplaces, they are significantly effective in hypothetical markets with no competition. Marcet (2018) discusses how companies can increase their competitiveness by creating new business in the Blue Ocean with the aid of innovation and new technologies. According to Kim and Baik (2018), ValueInnovative Requirements By using the blue ocean method, engineers help software development companies create uncontested new markets and meet the needs of new clients. In order to fulfill their plan, Côté (2018) suggests that companies should reinvent their products and outlines the competitive space in which they might swim with a blue ocean approach.

The difficulties in putting BOS into practice in Kenyan banks were examined by Nyambane (2017). The study included interviews with strategy managers from Kenya's three biggest commercial banks and discovered that the banks prioritized blue ocean strategies in order to establish and maintain their market position. However, because this study only looked at domestic banks and not the whole industry, its reach was constrained. Furthermore, it didn't examine how the strategy was used in the sector; it just discussed the difficulties in applying BOS. The competitive techniques employed by Equity Bank were examined by Abishua (2019). The bank employed a variety of tactics, such as the blue ocean approach, to compete in the market. The fact that the study was a case study rather than a survey meant that its reach was constrained. It cannot be applied to the entire industry because it is a case study.

2.2.3 Core Competencies and implementation of blue ocean strategy

One definition of core competencies is the special blend of a company's assets and expertise. These fundamental skills are hard to replicate and require time to develop. Maintaining these core competences requires that they be more durable and have a longer lifespan than particular products or technologies, as well as longer lifespans for the people and other resources that go into making them. It is challenging for rivals to swiftly copy these competencies when there is transparency. It is challenging to transfer these resources and competencies due to immobility Tovstiga (2019).

The premise that a company's internal resources and core competencies, which are derived from distinctive capabilities, enable its long-term prosperity forms the basis of capability-based strategies. In order to assess these skills, a company must first create a capability profile that examines its strengths and weaknesses in four key areas: management, marketing, financial, and technological (Porter, 2018). An analysis of the company's strengths, weaknesses, opportunities, and threats (SWOT) is then carried out to determine

whether it has the capabilities needed to manage the specific pressures in the external environment. This study can be used by managers to identify external threats and opportunities, as well as special competencies that can mitigate the risks and compensate for shortcomings (Porter, 2018).

The SWOT analysis's image aids in recommending the kind of strategy or strategic thrust that the company should employ in order to obtain a competitive edge. According to Schulman (2017), there are four guiding concepts for attaining capability-based competition: Business processes, not goods or markets, determine corporate strategy. To continuously give the client better value, key strategic procedures are required. Capabilities, not functions or SBUs, are the focus of investment. The capability-based strategy needs to be promoted by the CEO (Tovstiga, 2019). Capability-based strategies, sometimes referred to as the resource-based view of the firm, are defined by the internal resources and capabilities that form the basis of the company's strategy and that are the primary source of profit for the organization.

Finding the resource gaps that must be filled to keep a competitive edge in situations where these talents are needed is a crucial management task (Porter, 2018). The three types of organization-building activities that go into making an organization that can effectively execute strategies include hiring and retaining people with the requisite skills, staffing the company, and assembling a competent, capable management team.

Developing competitive qualities and core competencies that will allow for efficient strategy execution and revising them in response to changing external conditions and strategy. Technical skills and intellectual capital, organizing value chain activities and business processes. Determining how much decision-making power to give to frontline employees and lower-level supervisors, as well as organizing the organization and work effort (Thomas, 2017).

It takes time to develop competitive capabilities and core competencies. overcoming difficult exercises that have three stages: gaining the capacity to perform an action. albeit ineffectively or inadequately, by choosing individuals who possess the necessary training and expertise, developing or enhancing personal capabilities as required, and then combining individual endeavors and outputs into a cooperative team effort. coordinating teamwork to figure out how to complete the task reliably, efficiently, and affordably. Consequently, the skill becomes a proven competency or aptitude. The organization keeps working to improve its performance and polish its knowledge so that it can outperform competitors in the activity. This creates a path to competitive advantage by elevating the core competency (or capability) to the status of a distinctive competency (or competitively superior capability). When it comes to carrying out strategy-critical tasks, many businesses are able to pass through stages 1 and 2, but relatively few become proficient enough to move on to the third stage. McGraw (2018).

In circumstances when it is relatively easy for competitors to imitate clever techniques, having strong core competencies and competitive capabilities is a crucial way to get an advantage over them. The main method to gain a sustained competitive edge is to outperform competitors (i.e., outperform them by carrying out specific value chain activities in a superior manner). This is due to the fact that rivals can readily imitate the components of a successful strategy, making it challenging or impossible to outsmart rivals and outperform them in the market with a better approach. According to Schein (2018), one of the best and most reliable ways to obtain a long-term competitive advantage is to build competitive capabilities and core competencies that are expensive or challenging for rivals to copy and that bring a company closer to true operating excellence.

There are five components to structuring the organization and arranging the work effort in a way that supports the strategy: Choosing which value chain tasks should be completed

internally and which should be outsourced; making strategy-critical tasks that are carried out inside the primary pillars of the organizational structure. Determining how much authority to delegate to lower-level managers and employees and how much to centralize at the top; establishing internal cross-unit coordination and collaboration to develop and enhance internal competencies and capabilities; and facilitating the necessary coordination and cooperation with suppliers and strategic allies McGraw, 2018.

2.2.4 Organization Structure

Organizational structure is the outcome of integrating all the ways that work can be divided into distinct tasks, the coordination of which must then be ensured (ClaverCortés et al., 2017). In his research on how organizational structure and the function of the knowledge transfer process are related. According to Wang and Ahmed (2019), higher degrees of structural dimensions must be used to develop the structure of knowledge-based organizations. This level encompasses relationships that are built on trust, interactive and outwardly focused, and emotionally inclusive. In order to effectively manage knowledge, they emphasized the significance of interaction and fluidity as structural needs. As a result, they think that knowledge-based structures can be distinguished from mechanical or organic structures. Traditional organizational systems have an excessive number of organizational layers and a very high chain of command, where decisions are made at the top and then communicated to lower levels. The organization may suffer greatly from this type of communication and decisionmaking since it can greatly slow down organizational procedures (Rowland and Syed, 2018).

The needs of the employees cannot be met because of these arrangements, according to Lord and Ranft (2019), which hinder knowledge transfer between various organizational components and restrict other divisions' access to the acquired information. Effective communication from the top to the bottom and from the bottom to the top, according to

Rowland (2008), may enhance the organization's capacity to capitalize on its existing knowledge. Centralization and formalization are the two crucial structural variables that are examined in the majority of research that take a traditional approach to organizational structure (Tata & Prasad, 2018).

A hierarchical level having decision-making power within an organization is referred to as centralization. Formalization is the term used to describe written policies, guidelines, and processes that influence knowledge sharing inside an organization (Smith, 2019). With a focus on employee empowerment and information sharing, decentralization is a structural component that encourages knowledge sharing, in contrast to centralization, which is generally believed to hinder interdepartmental communication, frequent idea sharing, and knowledge application (Hurley, 2018).

There are two different points of view on how formalization and knowledge application relate to one another in a company, according to Lord and Ranft (2019). Less flexible formalized structures may make it impossible to learn and apply new information. Members of an organization are more likely to interact and communicate with one another in order to generate knowledge when there is no formal structure in place. On the other hand, formalization helps to identify the storage of strategic issues and systematizes the gathering and sharing of information. It is stated that rigid structures promote practices that reward organizational units for knowledge hoarding (ClaverCortés et al., 2017).

According to Smith and Schurink (2018), an organization's knowledge base should be maintained and treated as a valuable asset since it affects organizational structures and organizational development and transformation. This necessitates new tactics in addition to cognitive, structural, and behavioral changes in both the organization and its members. To increase output, each business unit should be accountable for the information inside their own ranks and manage it as effectively as possible. Reorganizing and restructuring

the workplace to make it simpler for employees to communicate with one another is necessary to promote knowledge exchange (Tata & Prasad, 2018).

It is clear from the aforementioned studies that the banking sector is still not fully implementing the blue ocean strategy. Given the limited space for competition in the old methods, the Blueocean strategy offers banks a means of creating uncontested marketplaces in which to offer services. Thus, by examining the use of blue ocean approach in Kenya's banking industry, this study aims to bridge this gap.

2.3 Theoretical review

The elements influencing the strategic implementation of the blue ocean strategy on the performance of Kenyan commercial banks are reviewed in this part along with pertinent theories.

2.3.1 Resource Based Theory

The three types of resources that fall under the Resource Based theory are organizational, human, and physical capital (Crook, 2018). A firm's manufacturing process uses resources as inputs. A capability is the capacity of a collection of resources to perform a difficult activity. All businesses are made up of unique assets and competencies that form the basis of their strategy and are the primary source of their revenue. In the highly competitive 21st century, a company is a collection of evolving skills that are dynamically managed in an attempt to provide returns that are above average, claims Sherry (2018).

Accordingly, a firm's distinct resources and capabilities—rather than the structural features of an industry—are what cause variations in its performance over time (Crook, 2018). This theory will be used in the study to determine the organization's ability to provide the resources needed to support the successful execution of the blue ocean strategy.

2.3.2 Competency Based Theory

Creating a skilled workforce takes decades. The human characteristics that separate successful managers' high performance from ordinary performance are usually the foundation of performance management systems. The organization's values and core competencies serve as the foundation for these human competencies (Marquardt, 2019).

Competencies are a mix of behavioral skills, technical knowledge, and talents that will be utilized as indicators of success in a profession, according to competency-based theory. A competency is an underlying human characteristic that is causally connected to a successful and/or superior performance in a work-related situation, according to Griffith (2018).

Competency-based variables include teamwork and cooperation, analytical and learning skills, accomplishment orientation, and customer service orientation. Competencies can also serve as a benchmark for tracking and assessing the performance of individuals and organizations in order to increase their competitiveness. Whether it's lower costs or a competitive edge, businesses use competence to achieve their objectives. Furthermore, the study's findings are consistent with the necessity of having a map of all accomplishments that could improve organizational and employee performance. Additionally, companies that employ systems based on core competencies are known as high-performance or visionary organizations (Chiem, 2018). The study will delve in the use of this theory noting the contribution of various aspects of competencies in any organisation.

2.3.3 Miles and Snow Based Theory

Businesses are categorized into four types according to Miles and Snow's (1978) typology: defenders, prospectors, analyzers, and reactors. These categories are determined by how a company manages the three primary problems it encounters: engineering, entrepreneurial, and administrative problems. They assert that developing, streamlining, and innovating an organization's structure and policy procedures are all part of the

administrative problem. An organization's product-market domain is established by the entrepreneurial challenge, whereas the engineering problem focuses on technology selection and production and distribution procedures (see Miles et al., 1978, p.20–23).

At its core is the specific relationship between the environment and the four strategic categories, as outlined by Miles and Snow. As per the environmental enactment process, defenders will carve out a market niche where stability can be found even in more dynamic enterprises, while prospectors will be the source of instability in an industry by consistently coming up with new ideas. As anticipated by Miles and Snow's model, Hambrick (2019) discovered that defender-type enterprises were more common in stable, established, and non-innovative industries, whereas prospectors tended to flourish in creative, dynamic settings, seizing development chances. This theory will gain use noting the differing business motives in different industries.

2.3.4 Porter's Competitive Theory

Porter's typology (1980) identifies three generic strategies that a firm might pursue: cost leadership, differentiation, and focus. based on differences in market segments and the size of a company's operations. Three possible general tactics are also identified by the Abell (1980) classification: differentiated, undifferentiated, and focused. A number of writers have criticized the use of generic techniques, arguing that they are restrictive, lack flexibility, and are not detailed enough.

Porter highlighted the idea that a business should only employ one strategy, as doing so would leave it "stuck in the middle" (Porter, 1980). He discussed how employing a variety of tactics can cause the business to get distracted and unable to chart a clear path forward. The logic states that differentiation will be expensive for the business, which is clearly contrary to the low-cost strategy's premise. As a result, differentiation strategy and cost

leadership will not work together (Porter, 1980). However, items that are usually standardized and have features that most consumers will find acceptable won't stand out from the competition (Panayides, 2018).

When the two main goals of distinction and low cost leadership conflict, a company lacks a clear direction. The idea of being "caught in the middle" is specifically questioned by Miller (2019). He asserts that a workable compromise between the two approaches exists. A lot of businesses, for instance, started off as niche players in an industry and then progressively grew. According to Baden-Fuller and Stopford (2019), businesses that are able to overcome "the dilemma of opposites" are the most successful.

2.4.5 Value Innovation Theory

Value innovation, or pursuing low cost and differentiation at the same time to boost value for customers and the company, is the cornerstone of blue ocean strategy (Amit and Zott, 2021). Since value to customers is decided by the offering's utility less its price, and value to the business is determined by the offering's price less its cost, value innovation is only feasible when the complete system of utility, price, and cost is in harmony. This can be accomplished by responding to the following inquiries.

What aspects of the sector that have been taken for granted can be removed? Which parameters can be significantly lowered below the industry norm? What criteria are able to be set significantly above the industry norm? What elements that have never been provided by the industry can be produced? If a company wants to drastically modify the industry's strategy, it must begin by moving its strategic focus from competitors to alternatives and from industry customers to non customers canvas.

The two components of the strategy canvas are an action framework and a diagnostic. The former speaks to how things are currently going in the know market. The latter, a four-

step structure, can be utilized to help businesses in the current market create a new blue ocean (Amit and Zott, 2021).

The first step is to eliminate elements that are significantly below the industry norm. Companies have spent a lot of money to compete in these areas for a long time, but they produce no profits and have no bearing on a company's ability to compete. Second, the industry norm for decrease factors should be significantly lowered. These factors mostly relate to the goods and services that businesses overdesigned after they were finished. They put so much strain on businesses' cost structures that they can't really benefit from these too complicated services (Kim and Mauborgne, 2018).

Thirdly, increase factors ought to be significantly higher than the industry norm. These are characteristics that are significant to consumers but are disregarded by businesses in their rivalry. Usually, they lack sufficient inputs. Fourth, factors that have never been provided by the industry should be produced. These are the factors that could lead to new customer demand and company prospects. Lastly, the Eliminate-Reduce-Raise>Create Grid can be used to identify the new market, or the blue ocean.

It is an additional analysis of the four acts that forces businesses to develop a new value curve. In addition to "eliminate" and "create" elements, it pushes businesses to "reduce" and "raise" factors. The grid is simple for managers to understand and can assist businesses in finding new, more cost-effective market space (Amit and Zott, 2021).

Since the inception of the Blue Ocean approach, its premise of generating new demand from uncharted market area has gained widespread recognition in the field of business administration. Its writers have continued to refine their theory at the same time. According to Kim and Mauborgne (2016), blue ocean strategies assist businesses in developing brands and building brand equity that can endure for many years.

Kim and Mauborgne (2018) described the blue ocean strategy's demand, the rationale for its significance in business, and the difference between strategy and innovation.

Despite being different from innovation, the blue ocean strategy is an effective way to accomplish value innovation (Kim and Mauborgne, 2018). Any company can use this strategy to get rid of the things that its competitors are using and create something new to satisfy the market, claim Kim and Mauborgne (2018). When developing strategies for diversified businesses across many industries, it is important to take into account the competitive landscape as well as the organizational structure of the company. 2018's Kim and Mauborgne.

The "blue ocean" approach is a brand-new tactic that encourages companies to leave their current market and enter a new one in an attempt to reduce costs and draw in customers from other industries, so making them more competitive. Although most managers were unaware of this new market, it did exist in the past. Companies' competition in the contemporary market is greatly aided by traditional techniques and theories, which artificially draw boundaries inside industries. The industry that is defined by outdated theories, however, may not be real. The traditional industry may overlook the services and products that can provide the biggest revenues for businesses.

Their responsibilities are ignored, despite the fact that alternative products and other variables undoubtedly have a direct or indirect impact on competition in these industries. In several industries, particularly the sunset industry, the survival of businesses is seriously threatened by rising costs and declining revenues. Using conventional methods to take advantage of the current small market is pointless and ineffective. Finding a new market with no competition could be a smart move for businesses in all current markets. Only the blue ocean approach, to a certain extent, can give Kenyan commercial banks a true competitive environment and a wide range of options. In 2018, Kim and Mauborgne

2.5 Conceptual Framework

The conceptual framework is used to show how the research variables relate to one another. The independent components in this study include strategic leadership, organizational structure, and core competencies. The dependent variable is the performance of commercial banks. Figure 1 displays the constructs and their relationships with the research variables.

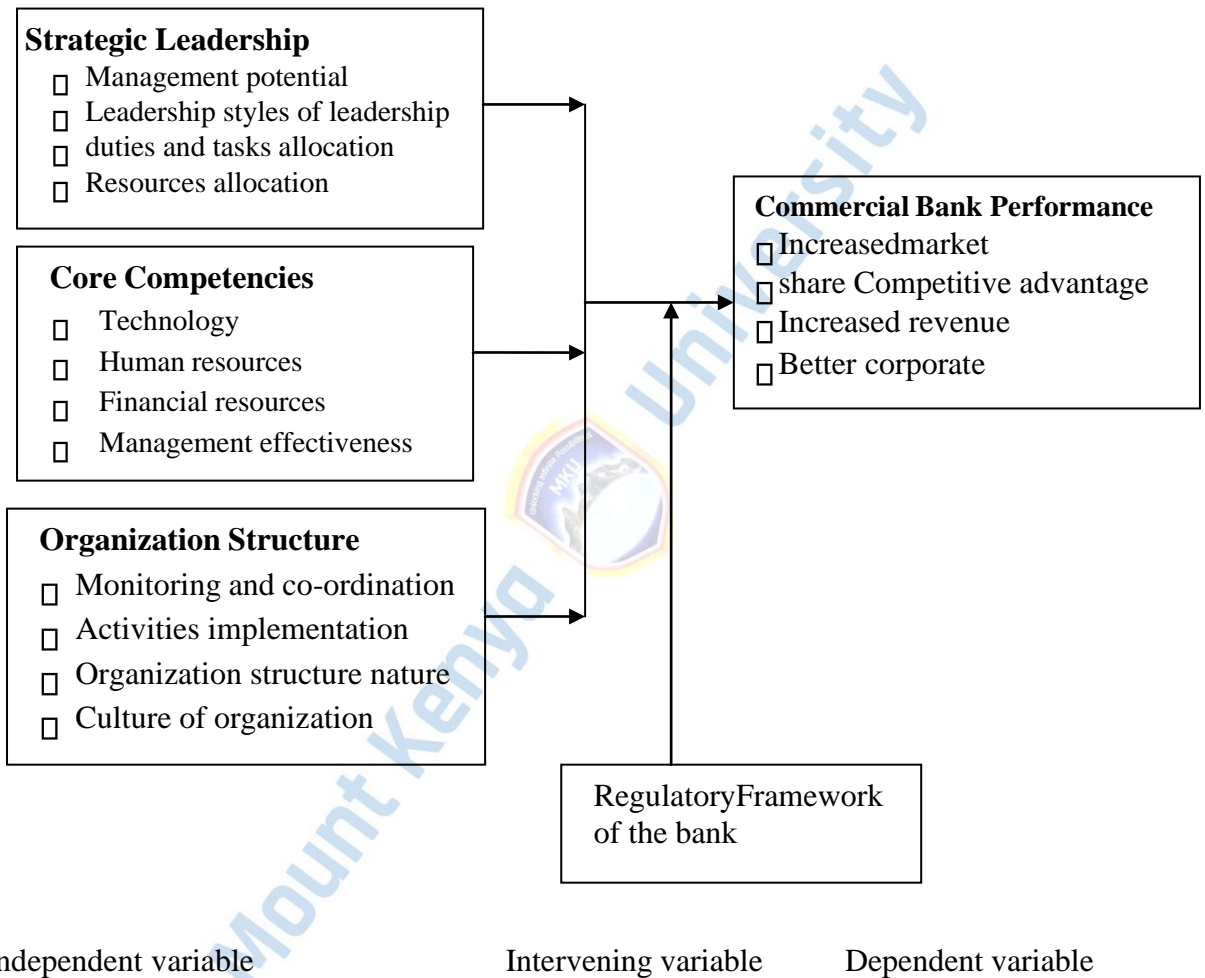


Figure 1: Conceptual Framework

Source: Researcher (2024)

2.4 .1 Strategic Leadership

Strategic leadership is the capacity of a manager to express a strategic vision for the organization, or a segment of the organization, and to motivate and persuade others to adopt that vision. Another meaning of strategic leadership is the application of strategy to human management. It is the capacity to implement organizational change and exert influence over members of the organization (Cooper, 2019). Strategic leaders articulate their strategic vision, assign resources, and establish organizational structure. The ability to anticipate and understand the workplace is necessary for strategic leadership. It calls for impartiality and the capacity to consider the big picture.

The staff of a company are encouraged to follow their own ideas by strategic leaders. To encourage high-quality and productive workers to perform better for their company, strategic leaders use reward and incentive systems more frequently (Füller, 2020). The lack of strategic leaders in the commercial sector limits the development of ideas that could lead to the launch of new products, discourages teamwork, and lowers employee engagement, all of which have an impact on the application of the Blue Ocean approach.

2.4.2 Core Competency

A core competency is a special ability or technological advancement that adds value for customers. The combined knowledge of individuals and the organizational framework that shapes employee interactions are the primary embodiments of the organization's distinctive strengths. An organization's fundamental competences vary and adapt along with its growth, development, and surroundings. Core abilities are therefore adaptable and evolving throughout time (Schreier, 2020). Core competences are dynamic and ever-changing. Product creation and development are aided by core competences. The future of the company is determined by its core strengths. Since new technology and banking products can be created utilizing core skills, core competencies provide way to innovations

(Matzler, 2019). The majority of financial institutions lack professionally trained banking employees, which impairs the key competencies of the company. Consequently, the organization's people resources are unable to successfully implement the blue ocean plan.

2.4 .3 Organization Structure

Armstrong M. (2020) defines an organizational structure as a framework for carrying out activities. Activities pertaining to specific processes, projects, goods, markets, geographical areas, or professional disciplines are organized together in units, functions, divisions, departments, and professionally established work teams. How authority moves throughout an organization and how people are assigned different job task responsibilities depends on the type and style of organizational structure. The distribution of strategy implementation job task functions and efficient employee monitoring are impacted by weak and ineffective organizational structures. Therefore, the ineffective execution of strategy implementation functions hinders the successful implementation of the blue ocean strategy and the attainment of enhanced organizational performance.

In 2020, Armstrong M. defines The bank regulatory framework is the organization that oversees the management and appropriate operation of Kenya's banking sector. The financial services business must continue to be successful, adaptable, and sensitive to new trends in order to guarantee that it benefits from a globally competitive market. Examples of these trends include being efficient in resolving detected issues and optimizing economic gains. The Banking Act Cap 488 and its implementing Schedules and Regulations are among the rules that apply to the banking sector in Kenya.

Typically, the Commissioner of Chief Executive Officer of bank regulatory firework issues circulars and guidelines that outline the rules that the banking industry and intermediaries must follow. By means of surveillance and inspections, these regulations

are enforced with the expectation of compliance. Although it is our intervening variable in this study, the banking regulatory framework will not be utilized in subsequent research.



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Specifically, the population and sampling technique, sample size, data collection tool, and research design. The methodology utilized to collect the data pertinent to answering the study questions is described in this chapter, along with data collection techniques, data analysis techniques, and ethical considerations.

3.2 Research Design

For the study, a descriptive research design was employed. This is because it examines the associations between manipulated variables in a natural environment as opposed to a lab setting, descriptive research design is non-experimental, according to Sekeran (2018). The researcher chooses the pertinent variables for an examination of their correlations since the conditions or events have already taken place. Along with formulating and testing hypotheses, descriptive design also use the logical techniques of inductive-deductive reasoning to draw conclusions that can be applied to a wider range of situations. Additionally, randomization techniques are used in descriptive design to quantify error when estimating population characteristics from sample observations and describing variables and procedures (Cooper and Schindler, 2018).

The study deems this design suitable since it facilitated the use of the stratified random sampling approach to gather data from a small number of respondents in order to get a broad picture of the variables influencing the Blue Ocean Strategy's implementation on Kenyan commercial banks' performance.

3.3. Target Population of the Study

According to Morris (2017), the population is the entire set of components from which conclusions are drawn. 38 commercial banks that were registered with the Central Bank

of Kenya as of June 30, 2023, made up the study's population. Since there aren't many commercial banks operating in Kenya, the study concentrated on all 38 of them for the sample. This was a census survey of commercial banks in Kenya. 180 workers who were employed at the commercial bank headquarters in Nairobi city made up the research population. The organization's structure and strategic location in Nairobi make it an ideal place to collect precise and trustworthy data on the variables affecting Kenyan commercial banks' performance when the Blue Ocean Strategy is implemented. Since they are primarily responsible for carrying out strategic management practices, management staff members were the study's target group and had a high probability of delivering accurate information on strategy implementation. The sample frame for the study was based on 38 commercial banks, and the number of employees from these institutions is displayed in the accompanying table. Table.1 shows the three categories into which the study population was split.

Table 1: Target Population

Management Level	Population
Top	40
Middle	60
First line	80
Total	180

Source: Commercial banks HRM (2024)

3.4 Sampling technique and Sample Size

Mugenda (2018) defines sampling as the process of selecting individual observations in order to obtain some understanding of a population of interest, especially for statistical inference. A sample size that is representative of the target population is employed. Using a probability sampling approach and a stratified random selection technique, the study's

sample size consisted of 54 respondents. According to Mugenda & Mugenda (2018), a simple random sample comprises all members of the population who have an equal and independent chance of being selected as a respondent. Selecting a sample in a way that ensures recognized subgroups in the population are represented in the sample in the same proportion as they are in the population is known as stratified random sampling (Patton, 2016).

It was determined that the stratified random sampling technique was sufficient because the researcher did not know the population sample and so selected the respondents at random (Mugenda and Mugenda, 2018). Three subgroups, or strata, were created from the research population's respondents using stratified sampling: top management, medium level management, and first line management. Thirty percent of each population group's responders were randomly selected. This is in line with Mugenda and Mugenda (2018), who contend that it is simpler to gather enough data that can be extrapolated to reflect the opinions of the entire community on the research problem when the sample size is 30% of the study population. The sample size and selection criteria are shown in Table 2.

Table 2: Sample Size

Level of management	Population	Sample Ratio	Sample Size
Top	40	0.3	12
Middle	60	0.3	18
First line	80	0.3	24
Total	180	0.3	54

Source: Commercial banks HRM (2024).

3.5 Research Instrument

Questionnaires with both open-ended and closed-ended questions served as the primary data collecting tools. The quantitative portion of the instrument used a Likert-type scale style. According to Kiess & Bloomquist (2019), the Likert-type style was chosen because it produces equal-interval data, which made it possible to assess research variables using more potent statistical statistics. In order to get precise and valid data, Kothari (2016) states that questionnaires were used since the information they yield is free from bias and researcher influence.

3.6 Piloting

To verify the validity and reliability of data gathering tools, a pilot study was conducted. Sekeran (2018) asserts that a pilot research is required to evaluate the reliability and validity of data gathering tools. According to Joppe (2020), research dependability is the ability to ascertain whether the study actually assesses the things it was designed to examine or how accurate the findings are. Pilot research was carried out in four commercial banks that were not included in the primary study. Pilot testing was done to find shortcomings in the design and instruments and to provide accurate information for sample selection (Cooper & Schindler, 2018).

3.6.1 Validity

Five research consultants were given the research instrument in order to verify the authenticity of the data gathering tools. If a questionnaire item addressed the elements influencing the adoption of blue ocean strategy on the performance of Kenyan commercial banks, the research consultants were supposed to check the box. The research consultants' comments were evaluated on a scale of 1 to 5 after their content was compared to the study's goals.. In accordance with Joppe (2020), who states that a coefficient of at least

0.70 is accepted as a legitimate research, a context of validity coefficient index of 0.75 was reached, and as a result, the research instrument was deemed valid for the study.

The Content Validity Index, which was computed by adding together all of the items that the research consultants had rated on a scale of 3 to 4, and dividing the total by the number of items in the questionnaires, was used to evaluate the validity.

3.6.2 Reliability

Cronbach's alpha, an internal consistency technique, was computed using SPSS to evaluate the reliability of the data collection instruments. The questionnaires were distributed as part of the pilot study to four commercial banks. The information gathered from these respondents was evaluated using SPSS Cronbach's alpha. According to Zinbarg (2018), Cronbach's alpha is a reliability coefficient that offers an unbiased evaluation of the generalizability of data. If the alpha coefficient is more than 0.75, the gathered data can be generalized to reflect the opinions of every respondent in the target group and has a reasonably high level of internal consistency (Joppe, 2020).

Data dependability was essential to generalizing the gathered information to represent the true nature of the factors impacting the performance of commercial banks when the blue ocean approach was implemented.

3.7 Data Collection Procedure

The University provided the researcher with an introduction letter outlining the goal of the investigation. Additionally, NACOSTI granted the study permission to gather data in the field. The management of commercial banks was informed about the study by the researcher. Questionnaires were given to study participants in person on the day of data collection. This was done in order to enhance the response rate study. The study's primary data collection consisted of the actual information gathered for the study's objectives.

Primary data was collected using a semi-structured questionnaire that included both closed-ended and open-ended items. A total of 54 respondents completed the surveys on their own, and they were chosen for data analysis after a predetermined period of time—no more than two weeks.

3.8 Data Analysis and Presentation

The study generated both qualitative and quantitative data. Descriptive statistics were utilized as the data analysis strategy. The information gathered from the questionnaires was coded and edited before being put into a computer for analysis using descriptive statistics with the help of the Statistical Package for Social Sciences version 17, which offers a variety of statistical analysis procedures that analyze small to very large data statistics (Bell, 2017). Measures of variability and central tendencies were calculated with the aid of descriptive statistics (Bell, 2017).

According to Mugenda and Mugenda (2018), descriptive analyses are crucial because they serve as the basis for correlational and experimental research. They also offer hints on the topics that should be the focus of future investigations. To determine the link between the research variables, additional inferential statistics were performed using Pearson correlation. The results were presented using charts and tables. To evaluate the qualitative information gathered from the questionnaire's open-ended questions, a summary of the respondents' observations was employed. The SPSS software was used to enter a standard set of observations and assign them a numerical value.

3.9 Ethical Standards

The researcher presented an authority letter from Mount Kenya University outlining the academic aim and objective of the study to the commercial banks' head offices, which granted permission to perform the study in accordance with all research ethical requirements. After scheduling appointments with the respondents, the researchers

distributed questionnaires to gather data with their permission. Given the sensitivity of the data to be gathered, the researcher upheld the moral duty to handle it with the highest propriety. The researcher ensured the respondents of the high level of secrecy of the information provided because they could be reluctant to divulge some details. Informed consent was obtained in order to do this.



CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.1 Introduction

This study's main goal was to examine and evaluate the variables that affect Kenyan commercial banks' performance when implementing the Blue Ocean strategy. Three main goals were the focus of the study. to ascertain the impact of organizational structure, the influence of strategic leadership, and the impact of core competences on the performance of Kenyan commercial banks when implementing the blue ocean strategy. The study's conclusions are explained in depth in the parts that follow.

4.2 Response Rate

The response rate refers to the percentage of questionnaires that were completed and returned out of the total number distributed. In this study, 54 respondents were targeted.

As shown in Table 3, an 90.7% response rate was achieved, indicating that the data collected was sufficient for analysis. According to Mugenda (2013), a response rate of 50% is considered acceptable, while a rate above 80% is regarded as excellent.

Table 3: Response Rate

Questionnaires Response Rate	Frequency	Percent
Returned	49	90.7%
Unreturned	5	9.3%
Total	54	100%

4.2.2 Reliability of Study Variables

The purpose of the study was to determine how reliable the study tool was. This was necessary to guarantee the validity of the study's conclusions.

Table 4: Reliability Results

Variable	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	Number of Items
Strategic Leadership factors	0.736	0.762	5
Core Competencies	0.769	0.774	5
Organizational Structure	0.812	0.821	5
Commercial bank performance	0.838	0.842	5

Source: (pilot testing results)

The reliability results from table 4 indicate high internal consistency across all categories. All variables— Strategic Leadership factors ($\alpha = 0.736$), Core Competencies ($\alpha = 0.769$), ($\alpha = 0.812$), Organizational Structure, and Commercial bank performance ($\alpha = 0.838$)— exceed the acceptable threshold of 0.7. This consistency across variables implies that the

survey items are reliably capturing the intended aspects, making the data suitable for further analysis.

4.3 Background Information

This section outlines the demographic characteristics of the participants involved in the study. In social science research, understanding respondents' background information is crucial as it allows for the categorization of participants into diverse groups. The study collected data on gender, age, level of education, and work experience, which are detailed in the following sections.

4.3.1 Respondents Gender

Finding out how respondents were distributed by gender was the aim of the study. The gender of study participants has to be collected in order to understand a variety of perspectives and potential disparities. Gender can influence how individuals are able to understand the concept of blue ocean strategy in the banking sector. Pictorial presentation in Figure 2 shows that majority 59 percent of respondents working in commercial banks were female as compared to 41 percent males. This shows a fair gender distribution hence the findings can be generalized to both genders.

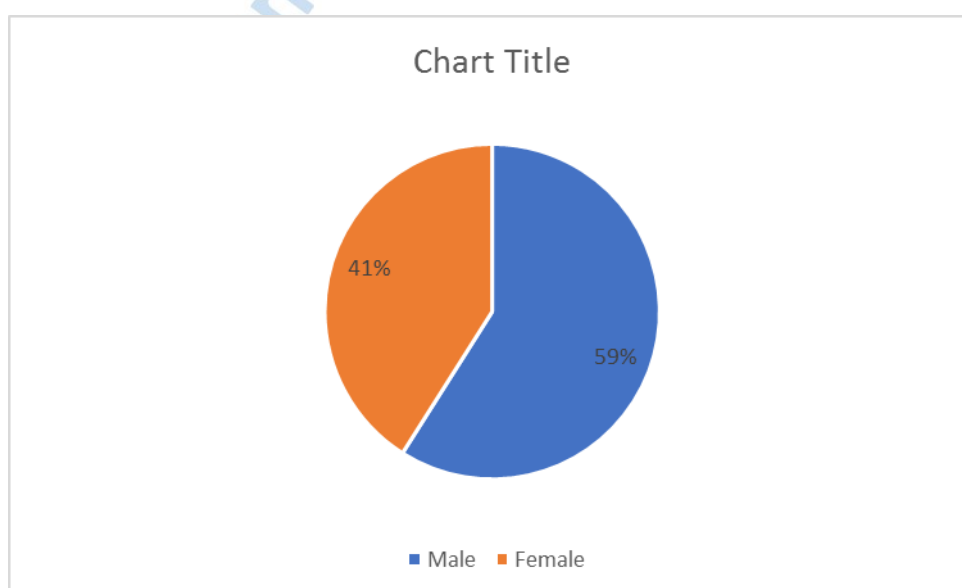


Figure 2: Gender

4.3.2 Respondents Age

The age distribution of the respondents shows a diverse range of age groups. The majority of participants fall within the 31-40 age brackets, accounting for 32%, indicating a relatively young and potentially more aware of blue ocean strategy. This is followed by the 41-50 age group, which makes up 27% of the respondents, suggesting a significant representation of experienced individuals who may have experience on blue ocean strategy. Respondents aged 18-30 constitute 23%, indicating the presence of younger employees who may be more familiar with blue ocean strategy. Lastly, 18% of the respondents are above 50, representing the most experienced demographic, who may have more traditional views on blue ocean strategy but also provide valuable insights into the changes in blue ocean strategy over time. This is shown in figure 3 below

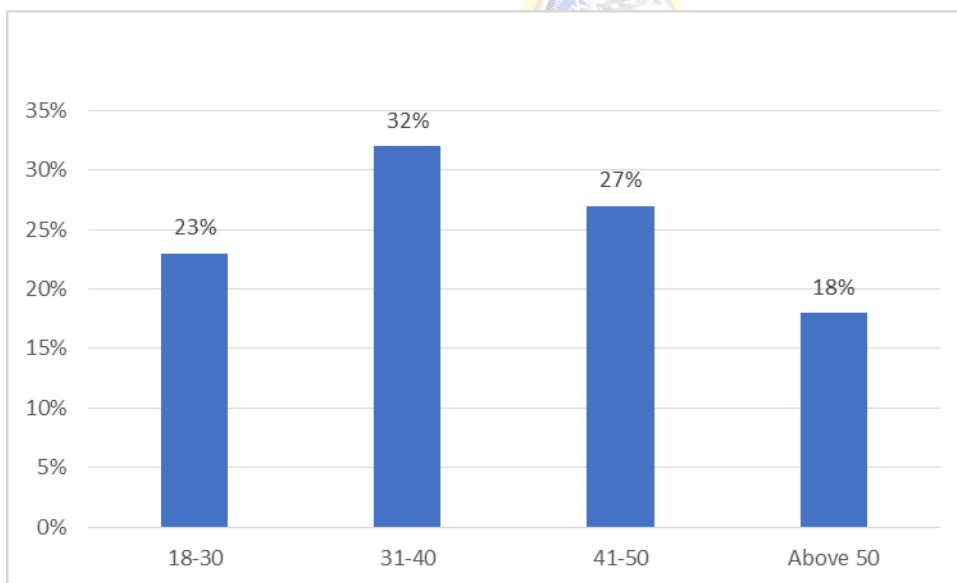


Figure 3: Age Distribution

4.3.2 Distribution of the Respondents Based on Level of Education

Figure 4 represents the educational background of the respondents. The largest segment, comprising 38%, holds a degree, indicating that a significant portion of the workforce in commercial banks is highly educated and likely well-versed in their respective fields.

Following this, 29% of the respondents have a diploma qualification, suggesting that a considerable number have adequate education that could contribute to the application of blue ocean strategy in the commercial banks. Postgraduate qualifications account for 18% of the respondents, representing those with advanced knowledge and specialized skills, potentially leading to innovative and strategic thinking in blue ocean strategy in banking sector.. Lastly, 15% of the respondents have completed secondary education (KCSE), indicating a smaller group with a more basic level of education. This distribution shows a diverse range of educational levels among the respondents, which can influence the implementation of blue ocean strategy on performance of commercial banks in Kenya.

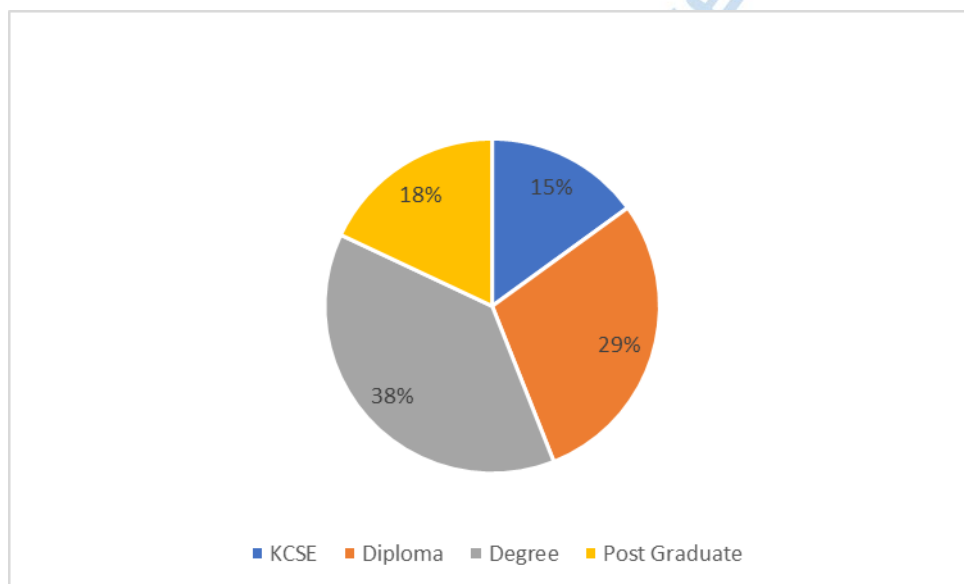


Figure 4: Level of Education

4.3.4 Respondents Experience

Work experience within an institution may lead to individual understanding of different facets of blue ocean strategy on commercial performance. As shown in Figure 5 the distribution of work experience among participants is varied: 17% have less than 5 years of experience, indicating a relatively new workforce. Those with 5 to 9 years of experience make up 22%, reflecting a moderate level of tenure. The largest group, 35%, has 10 to 15 years of experience, suggesting a significant portion of professionals with considerable

commercial bank experience. Finally, 26% of the participants have over 15 years of experience, representing a segment expertise long-term involvement in their roles.

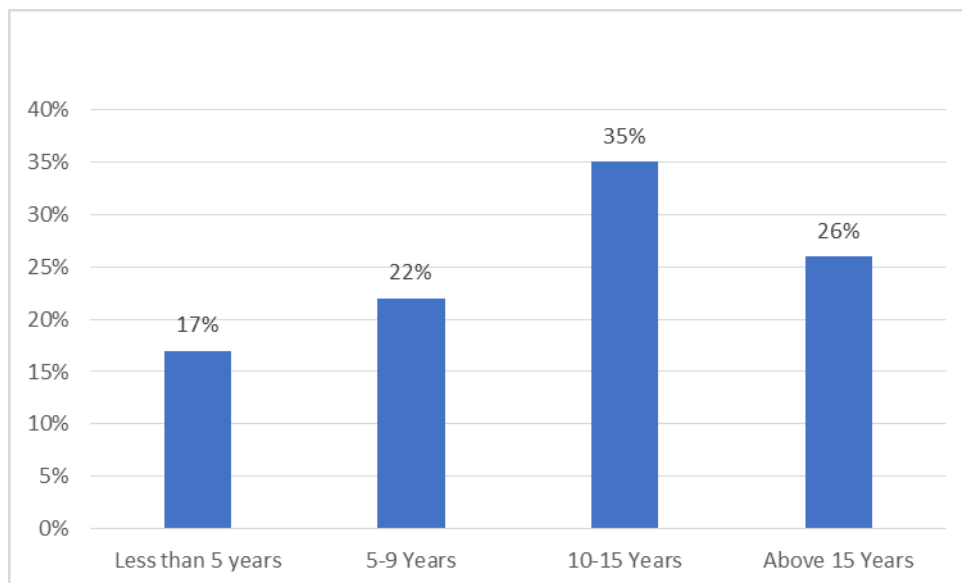


Figure 5: Work Experience

4.4 Descriptive Findings and Discussions

Descriptive findings and discussions pertaining to the study's goals are presented in Section 4.4.1 Measures of central tendency (means) and variance or dispersion (standard deviations) are used to analyze the results, which are summarized in this section. On a scale of 1 to 5, where 1 denotes no extent, 2 denotes minimal extent, 3 denotes moderate extent, 4 denotes substantial extent, and 5 denotes enormous extent.

4.4.1 Statements relating on Blue ocean strategy implementation through Strategic Leadership and Commercial bank performance

The respondents were asked to indicate whether strategic leadership implementation of blue ocean strategy and Commercial bank performance . The results are indicated by Table 5.

Table 5: Statements on strategic leadership implementation of blue ocean strategy and Commercial bank performance

	N	M	Max	Mea	Std. Dev.
The ability of management to articulate a strategic vision for the company influences how the blue ocean strategy and organization are implemented.	49	1	5	3.87	.972
PerformanceThe performance of the organization and the application of the blue ocean strategy are impacted by the type of leadership styles used.	49	2	5	3.62	.741
Organization performance and the application of the blue ocean approach are impacted by the appropriate distribution of roles and responsibilities.	49	2	5	4.82	.757
The effectiveness of the company and the application of the blue ocean strategy are impacted by a lack of knowledge about the nature of the workplace.	49	1	5	4.44	.943
Organizational performance and the application of the blue ocean approach are impacted by a lack of teamwork.	49	1	5	3.82	.961
The performance of the organization and the application of the blue ocean strategy are impacted by 49 low employee motivation.		2	5	3.63	.965
Both the company's performance and the implementation of the blue ocean plan are affected by 49 the absence of innovation.		1	5	3.73	.992

Source: Field Data (2024)

According to the findings, most respondents were adamant that management's capacity to express the organization's strategic vision affects both the organization's and the blue ocean strategy's execution. The performance score had a mean of 3.87 and a standard

deviation of 0.972. This suggests that a strategic vision for the performance of the organization is influenced by management potential.

Additionally, a mean score of 3.62 and a standard deviation of 0.741 indicate that respondents were highly satisfied with the way the leadership styles used impact the execution of the blue ocean plan and the success of the business. This result shows a general contentment with the type of leadership style which affects implementation of ocean strategy on organization performance with some variability in individual satisfaction levels.

Furthermore, the results showed that, with a mean score of 4.82 and a standard deviation of 0.757, appropriate assignment of tasks and responsibilities influences the execution of blue ocean strategy and the performance of the organization. Despite some variation in their perceived efficacy, this indicates that most respondents believe that appropriate task and responsibility distribution influences the execution of the blue ocean strategy and the success of the organization. The results also demonstrated that a lack of understanding of the nature of the workplace affects the application of the blue ocean strategy and the favorable reaction from the organization, with a mean score of 4.44 and a standard deviation of 0.943.

A mean score of 3.82 and a standard deviation of 0.961 were also found in the research, indicating that a lack of cooperation affects the organization's performance and the blue ocean plan's implementation. This implies that collaboration has an effect on how the blue ocean concept is applied.

With a mean score of 3.63 and a standard deviation of 0.965, the study also discovered that most respondents believed that poor employee motivation has an impact on the execution of the blue ocean strategy and the performance of the business. This implies

that the degree of employee motivation influences how the blue ocean plan is implemented. The study's final findings, which included a mean score of 3.73 and a standard deviation of 0.992, demonstrated that the execution of the blue ocean strategy and the performance of the organization are impacted by the absence of innovation. This demonstrated how the creation of novel concepts influences the application of the blue ocean strategy.

Overall, the findings illustrate a predominantly positive view of strategic leadership implementation of blue ocean strategy and Commercial bank performance.

According to the findings, strategic leaders always look forward and assess the present in order to prepare for potential future developments for the company (Goldman, 2020). This leadership style places a lot of emphasis on awareness, but it needs to be accompanied by thoughtful action. Strategic leaders are flexible and focused on expansion. They assume accountability for completing tasks by educating staff members on how to think and behave more efficiently in order to get the greatest outcome for the business (Goldman, 2020).

4.4.2 Statements on core competencies factors on implementation of blue ocean strategy on commercial banks in Kenya performance

The respondents were also asked if core competencies had an impact on Kenyan commercial banks' performance and the way the blue ocean concept was implemented.

Table 6 presents the findings.

Table 6: Core Competencies affect implementation of blue ocean strategy and the performance of commercial banks in Kenya

	N	M	Ma	Me	Std.
The degree of information technology use influences how the blue ocean plan is implemented and how well a business performs.	49	1	5	4.51	.942
Ineffective human resource development techniques impede the enhancement of the organization's core competences, which has a detrimental impact on the performance of the organization and the execution of the blue ocean plan.	49	2	5	4.43	.825
Insufficient financial resources have an impact on the functioning of the business and the application of the blue ocean plan.	49	1	5	3.37	.832
Absence of talent management procedures impacts the organization's and the blue ocean strategy's	49	3	5	4.46	.763

Source: Survey Data (2024)

According to the survey, as seen in Table 6, most respondents firmly believed that the degree of information technology use influences how well a company performs and how well the blue ocean strategy is implemented. A high degree of agreement with little variance in responses is shown by the mean score of 4.51 and the standard deviation of 0.942.

Additionally, with a mean score of 4.43 and a standard deviation of 0.825, respondents believed that ineffective HRD practices hindered the improvement of the organization's core competencies, which in turn affected the implementation of the blue ocean strategy and the performance of the organization. This indicates a strong consensus that HRD practices improve the organization's core competencies, which in turn affects the implementation of the blue ocean strategy.

However, as demonstrated by a mean score of 3.37 and a standard deviation of 0.832, the results also show that inadequate financial resources have an impact on the performance of the organization and the implementation of the blue ocean plan. This demonstrated how the implementation of the blue ocean strategy is impacted by the adequate financial resources allocated. The research findings also showed that lack of talent management practices affects implementation of blue ocean strategy and organization performance evidenced by mean score of 4.46 and a standard deviation of 0.763, reflecting a strong agreement on talent management practices affects implementation of blue ocean strategy.

On the other hand, a mean score of 4.46 and a standard deviation of 0.763 indicated that the performance of the organization and the application of the blue ocean strategy are impacted by the absence of professionally educated banking personnel. This implies that the application of the blue ocean concept is impacted by professionally qualified banking personnel. Overall, the findings show that core competences have a beneficial impact on Kenyan commercial banks' performance and the application of the blue ocean approach, albeit there is some difference in how effective these variables are thought to be in various domains.

Strong core competences and competitive capabilities are crucial for gaining a competitive advantage over rivals in circumstances when clever techniques are relatively simple for rivals to imitate, according to this study, which supports Schein's (2018) assertion. The main method to gain a sustained competitive edge is to outperform competitors (i.e., outperform them by carrying out specific value chain activities in a superior manner). This is because competitors can easily copy the elements of a successful strategy, making it difficult or impossible to out strategize competitors and outperform them in the marketplace with a superior strategy.

One of the greatest and most dependable ways to gain a sustainable competitive edge is to develop core skills and competitive capabilities that are costly or difficult for competitors to imitate and that get a business closer to true operating excellence.

4.4.3 Statements relating to organizational structure issues affect implementation of blue ocean strategy on performance of commercial banks in Kenya.

Furthermore, the respondents were asked to indicate whether organizational structure issues affect implementation of blue ocean on performance of commercial banks in Kenya. The results are indicated by Table 7.

Table 7: Organizational Structure Issues on implementation of blue ocean on performance of commercial banks in Kenya

	N	Min	Max	Mean	Std. Dev.
Monitoring and coordinating the actions involved in implementing the blue ocean strategy are impacted by an ineffective organizational structure, which in turn impacts the effectiveness of the business.	49	1	5	4.69	.818
The efficacy of the firm is harmed by an inefficient organizational structure, which also affects monitoring and coordinating the tasks needed in implementing the blue ocean plan.	49	2	5	3.17	.942
Implementing a strict organizational structure prevents employees from exchanging knowledge, which impacts the performance of the company and the application of the blue ocean plan.	49	2	5	4.77	.721
The performance of the business and the implementation of the blue ocean plan are impacted when a rigid organizational structure is put in place since it inhibits people from sharing knowledge.	49	1	5	3.45	.820

Source: Survey Data (2024)

The descriptive statistics for the use of organizational structure issues affect implementation of blue ocean on performance of commercial banks in Kenya. A high mean score of 4.69 and a standard deviation of 0.818 indicate that respondents

overwhelmingly agreed that monitoring and coordination of blue ocean plan implementation activities are impacted by an ineffective organizational structure, which in turn impacts the performance of the company. With comparatively little disagreement in responses, this shows a significant consensus about the usefulness of organizational structure on monitoring and coordinating the implementation activities of the blue ocean plan and how this impacts organization performance. In a similar vein, participants evaluated

The implementation of the blue ocean strategy and the performance of the organization are impacted by organizational structures that do not encourage teamwork and task delegation. The mean score of 3.17 and the standard deviation of 0.942 indicate that organizational structures that support these practices have a positive impact on the implementation of the blue ocean strategy. The results do, however, indicate considerable variation in the organizational structure's regularity. The results, which had a mean score of 4.77 and a standard deviation of 0.721, demonstrated that the use of a strict organizational structure prevents employees from sharing knowledge, which impacts the execution of the blue ocean strategy and the success of the business. This suggests that using a strict organizational structure prevents employees from exchanging knowledge, which impacts the blue ocean strategy's execution.

With a mean score of 3.45 and a standard deviation of 0.820, the results also show that respondents largely concur that organizational culture influences blue ocean plan implementation and performance. This implies that organizational culture influences how the blue ocean plan is implemented. Thus, altogether, the data shows that organizational structure difficulties have a favorable impact on the performance of Kenyan commercial banks when implementing the blue ocean. According to the research above, there is still a gap in the use of blue ocean strategy in the banking sector, which is

evident from these results, which are consistent with Tata & Prasad, 2018. The Blue ocean strategy provides a way for banks to establish uncontested marketplaces to provide services in light of the restricted opportunities for competition on the traditional techniques. In order to fill this knowledge vacuum, the current paper analyzes the application of blue ocean strategy in Kenya's banking sector.

4.5 Diagnostic Test

4.5.1 Autocorrelation Assumption Test

The correlation between a variable and itself over time is known as autocorrelation. When autocorrelation is present it implies that the current value of the variable is related to its past values. This can lead to biased estimates of the regression coefficients, as the effect of the independent variables may be attributed to the auto correlated error term rather than the true relationship between the variables. Table 8 displays the outcomes of the autocorrelation assumption test.

Table 8 : Results of the Autocorrelation Assumption Test on implementation of blue ocean on commercial bank performance

Variable	Durbin-Watson
Strategic Leadership	1.532
Core Competencies	2.335
Organizational Structure	2.548
Commercial bank performance	1.539

(Source, field 2024)

The findings, as shown in Table 8, showed that strategic leadership had a Durbin-Watson statistic value of 1.532. Furthermore, the core competencies had a Durbin-Watson statistic value was 2.235.

The Durbin-Watson statistic values for organization structure and commercial bank performance were 2.548 and 1.539, respectively, according to the data. Given that it falls inside the Durbin-Watson range of 0–4, this suggests that the research variables exhibited

independence from errors. A test statistic ranging from 0 to 4 is reported by the Durbin-Watson test, where a score of 0-2.5 indicates no autocorrelation. In conclusion, it was determined that the data collecting tools were legitimate and trustworthy, meaning that they may be employed to gather data for the primary investigation.

4.5.2 Normality Assumptions Test

To ascertain if the data is normally distributed, the study used a normality test. Table 19 displays the results of the normalcy test.

Table 9: Results of the Normality Assumption Test

Variable	Kolmogorov-Smirnov	Sig
Strategic Leadership	.356	.538
Core Competencies	.339	.745
Organizational Structure	.286	.834
Commercial bank performance	.257	.651

Source: Field (2024)

Since the Kolmogorov-Smirnov significance values were larger than 0.05, Table 9's results for the normality assumption test demonstrated that the data was regularly distributed. A Kolmogorov-Smirnov significant value of $p=.53 > 0.05$ was found for strategic leadership in the study. The Kolmogorov-Smirnov significance value for core competencies was $p=.745 > 0.05$. The Kolmogorov-Smirnov significance value for Organizational Structure was $p=.834 > 0.05$. The Kolmogorov-Smirnov significance value for the commercial bank performance in Kenya, was $p=.651 > 0.05$. The data were likely regularly distributed since the p-values were higher than the significance level (0.05).

4.5.3 Test of Multicollinearity

When two or more independent variables have a significant association with one another this phenomenon is known as multicollinearity. When a regression model exhibits multicollinearity, it might be challenging to pinpoint the distinct role that every independent variable plays in the results. Table 10 presents the study findings.

Table 10: Results of the Multicollinearity Assumption Test

Variables	Tolerance	VIF
Strategic Leadership	.524	1.739
Core Competencies	.547	1.755
Organizational Structure	.618	1.531
Commercial bank performance	.649	1.414

Source: Field (2024)

Based on the determination of the tolerance and variance inflation factor values for the following: Strategic Leadership (tolerance=0.524 and VIF=1.739), Core competencies (tolerance=0.547 and VIF=1.755), Organizational structure (tolerance=0.618 and VIF=1.531), Commercial bank performance Kenya (tolerance=0.649 and VIF=1.414). The study's findings suggest that there was no multicollinearity in the data collected because all tolerance values for the three variables under investigation were above 0.10 and all VIF values were less than 10.

4.5.4 Results of the homoscedasticity test

The uniformity of disturbance between independent and dependent variables across the values of the independent variables is referred to as homoscedasticity. Constant residual terms across observations are expressed. On the other hand, unequal errors cause a heteroscedasticity issue. Inaccurate confidence intervals and ineffective parameter estimates are caused by heteroscedasticity. The error term should not vary significantly as

the value of the dependent variable changes. For homoscedastic data, p-value is greater than 0.05. Table 11 displays the results of the homoscedasticity test.

Table 11: Homoscedasticity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.035	.206	.032	.151	.859
Strstrategic Leadership	.019	.053	.045	-.168	.846
1 Core Competencies	.055	.057	.260	.082	.449
Organizational Structure	.039	.034	.061	.217	.842

a. Dependent Variable: Commercial banks performance

Table 11 displays the p-values for, organizational culture, core competencies and organizational structure, which are 0.846, 0.449 and 0.842 respectively. Since each of these numbers is more than 0.05, it can be concluded that there was no heteroscedasticity issue and that the data was homoscedastic. The outcomes aided the investigator in verifying the suitability of the linear regression analysis.

4.6 Results of the Linearity Test

To determine the linear relationship between managerial abilities, board structure, organizational culture, and customer leadership management, linearity tests were conducted. The findings are shown in Tables 12, 13, and 14.

Table 12: Relationship between strategic leadership and commercial bank performance

	Sum of Squares	df	Mean Square	F	Sig.

	(Combined)	3.567	29	.327	3.251	.025
Performance of	Linearity	2.132	7	2.012	19.516	.001
commercial	Between					
from	Deviation					
	Groups bank *	1.442	39	.176	1.630	.167
Strategic	Linearity	1.424	23	.127		
leadership	Within Groups					
	Total	5.443	49			

Source: Field (2024)

The p-value for the divergence from linearity was 0.167, according to the results. The divergence from linearity needs to be more than 0.05 in order for a linear relationship to exist. The fact that $0.167 > 0.05$ suggests a linear relationship between commercial bank performance and strategic leadership. In specifically, this linear relationship helped establish the causal association between strategic leadership and commercial bank performance in Kenya. This enabled inferential statistical analysis.

Table 13: Linearity between core competencies and performance of commercial banks

		Sum of Squares	df	Mean Square	F	Sig.
	(Combined)	2.011	29	.202	.900	.517
Performance of	Linearity	2.175	5	1.164	1.388	.036
commercial	Between					
bank	Deviation					
*	Groups from	.725	34	.090	.409	.841
	Linearity					
Core	Within Groups	1.231	29	.214		
competencies	Total	5.162	49			

(Source, field 2024)

According to Table 13's results, there was a 0.841 departure from linearity between. Since 0.841 is more significant than the 0.05 level, it can be inferred that there was a linear relationship between the core competencies and commercial bank in Kenya. There was a linear link between core competencies and commercial bank performance in Kenya.

Table 14: Linearity between organization structure and Performance of Commercial Bank

		Sum of Squares	df	Mean Square	F	Sig.
Performance of commercial bank	(Combined)	3.746	29	.383	4.105	.007
	Linearity	2.734	4	2.775	30.357	.000
	Deviation from	1.202	33	.117	1.178	.392
	* organization Within Groups	1.315	29	.076		
Total		5.351	49			

(Source, field 2024)

The findings on Table 14 show that the deviation from linearity between organization structure and performance of commercial bank of Kenya was 0.392. Since 0.392 is more significant than the 0.05 level, it can be inferred that there was a linear relationship between the commercial bank performance and organization structure. Consequently, a linear link was found between commercial bank performance and its organization structure.

4.7 Inferential Statistics

4.7.1 Correlation Analysis

4.7.2 Strategic leadership and performance of Commercial Bank

The goal of the study was to determine whether strategic leadership and commercial bank performance were correlated. Table 14 presents the study's conclusions.

Table 15: Strategic Leadership and Performance of Commercial Bank

		Performance of commercial bank
Strategic leadership	Pearson Correlation	.549**
	Sig. (2-tailed)	.000

** . Correlation is significant at the 0.05 level (2-tailed).

The study's findings, as presented in Table 14, show that strategic leadership and the commercial bank performance had a moderately favorable and statistically significant association ($r = 0.549$; $p < 0.05$). This implies that proper strategic leadership enhances performance of commercial banks through strategic vision, leadership styles, proper, understanding work environment; Tam work, employee motivation and development of new ideas enhances implementation of blue ocean strategy thus improving performance of commercial banks in Kenya. This agrees with Meyer (2018), Kim and Mauborgne (2018) who found that blue ocean strategy help organizations to innovate and bring new products to market. Leavy (2018) proved pursuing blue ocean leads companies to create more value.

4.7.2 Core competencies and Commercial Bank Performance

The goal of the study was to determine if the commercial banks performance and core competencies were correlated. Table 15 presents the study's conclusions.

Table 15: Core Competencies and Commercial Bank Performance

	Performance of commercial bank
Pearson Correlation	.483**
Sig. (2-tailed)	.000
N	49

** . Correlation is significant at the 0.05 level (2-tailed).

The study's findings, as presented in Table 15, show that there was a statistically significant and moderately favorable association ($r = 0.483$; $p < 0.05$) between core competencies and performance of commercial banks. This supports the claim made by Schein (2018) that Kenyan commercial banks' performance is influenced by their core competences. One of the greatest and most dependable ways to gain a sustainable

competitive edge is to develop core skills and competitive capabilities that are costly or difficult for competitors to imitate and that get a business closer to true operating excellence.

4.7.3 Organization Structure and Commercial Bank Performance

The goal of the study was to determine if the organization structure and commercial banks performance were correlated. Table 16 presents the study's conclusions.

Table 16: Organization Structure And Commercial Bank Performance

		Performance of commercial bank
Organization structure	Pearson Correlation	.497**
	Sig. (2-tailed)	.000
	N	49

** . Correlation is significant at the 0.05 level (2-tailed).

The study's findings, as presented in Table 15, show that there was a statistically significant and moderately favorable association ($r = 0.497$; $p < 0.05$) between organization structure and performance of commercial banks. This supports the ideas of Smith and Schurink (2018), who proposed that an organization's knowledge base should be treated as a valuable asset and managed appropriately, impacting organizational development and transformation as well as organizational structures.

4.8 Regression Analysis

Regression analysis was used in the study to assess the combined effects of strategic leadership, core competencies and organization structure and performance of commercial banks in Kenya. In table 17, the model summary was displayed.

Table 17: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Sig. F Change

1	.896 ^a	.802	.800	.3421	.000
---	-------------------	------	------	-------	------

The R-Squared is the proportion of the dependent variable's variance that the independent variables can explain. The R-squared for the study was 0.802. Indicating that the three independent variables strategic leadership, core competencies and organization structure account for 80.2% of the variation on performance of commercial bank in Kenya, while other factors can only account for 19.8% of the variation.

Table 18: ANOVA

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.44	3	6.131	100.245	.000 ^b
	Residual	8.40	46	.1003		
	Total	24.84	49			

a. Dependent Variable: performance of commercial banks , Kenya

b. Predictors: (Constant), strategic leadership, core competencies and organization structure

In this study, the analysis of variance was employed to assess the model's suitability for the data. According to the results, the model is effective at predicting how commercial bank performance is influenced by three independent variables strategic leadership, core competencies and organization structure. A p-value of 0.000, or less than 0.05, was obtained. Furthermore, the F-value of 100.245 shows that, in terms of forecasting how the independent factors will influence the dependent variable, the model fit the data.

Table 18: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.061	.143		.245	.737
Strategic leadership	.325	.159	.592	4.651	.034
Core competencies	.252	.082	.274	2.635	.018
Organization structure	.243	.173	.186	2.544	.054

The overall significant test findings for the proposed study model are displayed in Table 18. The following regression model is used to interpret the reported findings.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$$

Therefore,

$$Y = 0.061 + 0.325X_1 + 0.252X_2 + 0.243X_3$$

The commercial bank performance was 0.061 when all three independent variables were maintained constant, as indicated by the intercept (β_0). Additionally, a unit increase in strategic leadership would result in a 0.325 improvement in the performance of commercial banks in Kenya, holding all other independent factors constant. Additionally, a 0.252 boost in core competencies would result from a unit increase in the performance of commercial banks in Kenya, all other things being equal.

Moreover, a unit increase in organizational structure would result in a 0.243 improvement in performance of commercial banks in Kenya all other things being equal. It may be concluded from these results that the commercial banks in Kenya, performed best with good strategic leadership which had the greatest effect. This was followed by core competencies and the least was organization structure.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a thorough overview of the study's main discoveries, follows by conclusions and a discussion of the implications that arise from them. Lastly, it offers some advice and ideas for topics that could be researched further. The goal of the research was to analyze factors influencing blue ocean strategy on implementation on performance of commercial banks in Kenya.

5.2 Summary of Major Findings

The goal of the study was to compile a summary of its most important discoveries. The synopsis was divided into distinct goal categories.

5.2.1 Strategic leadership and performance of commercial bank in Kenya

The first objective was to find out how strategic leadership on implementation of blue ocean strategy affects performance of commercial banks in Kenya. The results showed that the management potential has an influence a strategic vision for the organization performance. Additionally, general contentment with the type of leadership style affects implementation of ocean strategy on commercial banks performance. Additionally, the performance of commercial banks and the application of the blue ocean strategy are impacted by the appropriate distribution of roles and responsibilities. The findings showed that the use of the blue ocean strategy is impacted by knowledge of the nature of the workplace. The study found that the use of the blue ocean strategy is impacted by teamwork.

According to the study, staff motivation levels have an impact on how well the blue ocean approach is implemented. Lastly, the results of the study demonstrated that the execution

of the blue ocean strategy is impacted by the creation of new concepts. *Overall, the findings illustrate that strategic leadership influence implementation of blue ocean strategy and Commercial bank performance.*

5.2. Core competencies and performance of commercial bank in Kenya

The second goal was to determine how Kenyan commercial banks' performance was impacted by the application of blue ocean strategy and core competencies. The results of the study demonstrated that the performance of commercial banks and the use of the blue ocean strategy are influenced by the degree of information technology.

Additionally, the results showed a a strong consensus that effective human resource development practices improves organization core competencies thus affecting implementation of blue ocean strategy on performance of commercial banks in Kenya. The results also showed that the application of the blue ocean approach is impacted by the provision of enough financial resources. The findings showed that there was broad consensus regarding talent management techniques for implementing the blue ocean plan. Conversely, the research findings showed that professional trained banking staff affects implementation of blue ocean strategy. Overall, the findings showed that core competences have a favorable impact on Kenyan commercial banks' performance and the way the blue ocean plan is implemented.

5.2.3 Organization structure and performance of commercial bank in Kenya.

The study findings on the third objective revealed that organizational structure issues affect implementation of blue ocean on performance of commercial banks in Kenya. According to the results, there is broad agreement regarding how well organizational structure monitors and coordinates the activities involved in implementing the blue ocean strategy, which has an impact on the performance of commercial banks.

The results of the study showed that the performance of Kenyan commercial banks is impacted by the application of the blue ocean strategy when organizational structures facilitate teamwork and task delegation. According to the findings, the performance of Kenyan commercial banks is impacted by the use of a strict organizational structure, which suppresses staff information exchange. Additionally, the findings revealed that organization culture affects implementation of blue ocean strategy. Therefore the overall, the data indicates a positive effect of organizational structure issues affect implementation of Blue Ocean on performance of commercial banks in Kenya.

5.3 Conclusions

The results of the study show that strategic leadership and the commercial bank performance had a moderately favorable and statistically significant association ($r = 0.549$; $p < 0.05$). The results show that the adoption of a rigid organizational structure, which inhibits staff information sharing, has an effect on Kenyan commercial banks' performance. The results of the study demonstrated a relatively positive and statistically significant correlation ($r = 0.483$; $p < 0.05$) between the performance of commercial banks and their key competences. The results of the study demonstrated a somewhat positive and statistically significant relationship between commercial banks' performance and their organizational structure ($r = 0.497$; $p < 0.05$).

5.4 Recommendations

Based on the study's findings, the researcher suggested that the management should have potential to influence a strategic vision for the organization performance. Commercial banks should have general contentment with the type of leadership style on implementation of ocean strategy improve commercial banks performance. The right distribution of tasks and responsibilities for the execution of the blue ocean strategy and the performance of commercial banks should be guaranteed by management. When

implementing the blue ocean approach, managers should be aware of the character of the workplace. When implementing the blue ocean plan, management should support teamwork. Employees should be encouraged by management to implement the blue ocean plan. The management ought to come up with fresh concepts for putting the blue ocean approach into practice.

In order to improve organizational performance, the study suggests that companies take into account core skills when implementing blue ocean strategies. When applying the blue ocean strategy to an organization's performance, the degree of information technology use should be taken into account. In order to apply the blue ocean approach and improve organizational performance, the study also suggests that firms have efficient human resource development procedures. Adequate funding should be set out for the blue ocean strategy's execution. When implementing the blue ocean plan, talent management techniques should be used. Banking employees should receive expert instruction on how to apply the blue ocean strategy.

The study also recommends that organizational structure should lay down structures on monitoring and coordination of blue ocean strategy implementation activities. The study recommends that organizational structure should support team work and delegation of duties on implementation of blue ocean strategy on organization performance. The study recommends that application of rigid organization structure on knowledge sharing among the staff on implementation of blue ocean strategy on organization performance.

5.5 Suggestion for further Studies

To improve comparability and usefulness in other economic sectors, this study should be repeated in other Kenyan industries. The report also suggests conducting a longitudinal study to document the development of problems pertaining to the implementation of the Blue Ocean Strategy in Kenyan commercial banks. By examining a greater number of

financial institutions than were included in the current study, future research must also increase response rates.



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APPENDIX

Appendix 1: Informed Consent

Dear sir/madam,

Re: Request For Your Consent To Participate In A Research

I kindly write to request for you to participation in a research project. The study title is: **Factors Influencing Implementation Of Blue Ocean Strategy On Performance Of Commercial Banks In Kenya.**

The potential risks and discomforts of the study are minimal. This is because you will only be expected to participate in the questionnaire. Before filling the questionnaire, all respondents will be reminded and requested to keep what is discussed to be confidential. There are no potential benefits for you as a person for participating in this study. I am

requesting you to volunteer and share your opinions. No payments will be made for the information that you give or for the time that you will spend with us. Confidentiality of any information that you provide will be maintained. Data collected will only be used for the purpose of this study and will be destroyed when the findings are published.

PARTICIPATION IN THIS STUDY IS ENTIRELY VOLUNTARY. YOU MAY REFUSE TO FILL THE QUESTIONNAIRE AND YOU MAY WITHDRAW AT ANY STAGE IF YOU

SO WISH. If you accept to participate in this study, please append your signature below:

Signature of participant..... Date:

If you have any query, please contact the following: Mobile phone: +254725507331 or by email johngithinji910@gmail.com

Sincerely,

RESEARCHER

John Githinji



Consent

I have carefully reviewed the provided details, comprehended the information, and had the chance to seek clarification. I acknowledge that my involvement in this study is entirely voluntary, and I retain the freedom to withdraw at any point, without the need to provide a justification and without incurring any expenses. I am aware that I will receive a copy of this consent form. With full understanding, I willingly consent to participate in this study.

Participant's signature

Date _____

Investigator's signature

Date _____

Appendix 11: Research Questionnaire

Instructions (tick where appropriate) and fill in the blank spaces where applicable

Section I: Background information

1. Age

- 18-30 yrs
- 31-40 yrs
- 41-50 yrs
- Above 51 yrs

1. Education level

- a. Primary level
- b. Secondary level
- c. College level
- d. University level
- e. Other specify..... 2.

Working experience

- a. Less than 5 years
- b. 6-10 years
- c. 11-15 YEARS
- d. 15 Years and above

Section II : Strategic Leadership

(i) By using a scale of 1 to 5; (1= not at all, 2 = small extent, 3 = moderate extent, 4 = large extent, 5 = very large extent), rate the extent to which the following strategic leadership factors affect implementation of blue ocean strategy and Commercial bank performance.

Strategic Leadership factors	1-Not at all	2-Small extent	3-Moderate Extent	4-Large extent	5-Very Large extent
The performance of the company and the application of the blue ocean strategy are impacted by management's capacity to articulate a strategic vision.					

The nature of the employed leadership styles affects implementation of blue ocean strategy and organization performance					
Implementing the blue ocean strategy and organization is impacted by the appropriate distribution of roles and responsibilities .performance					
The effectiveness of the company and the application of the blue ocean strategy are impacted by a lack of knowledge about the nature of the workplace.					
Organizational performance and the application of the blue ocean approach are impacted by a lack of teamwork.					
The performance of the organization and the application of the blue ocean strategy are impacted by low employee motivation.					
Low employee motivation affects both the organization's performance and the implementation of the blue ocean plan.					

(i) Provide recommendations on how the management of the company should use strategic leadership to aid in the execution of the blue ocean plan and raise the performance level of the business.

.....

.....

.....

Section III

By using a scale of 1 to 5; (1= not at all, 2 = small extent, 3 = moderate extent,4 = large extent, 5 = very large extent), rate the extent to which the following core competencies factors affect implementation of blue ocean strategy implementation of blue ocean strategy and the performance of commercial banks in Kenya. Core competencies issues

Core Competencies	1-Not at all	2- Small extent	3- Moderate Extent	4- Large extent	5-Very Large extent
The level of information technology application affects implementation of blue ocean strategy and organization performance					
Lack of effective human resource development practices hinders improvement of the organization core competencies and this negatively affects implementation of blue ocean strategy and organization performance					
Lack of allocation of enough financial resources affects implementation of blue ocean strategy and organization performance					
Lack of Talent management practices affects implementation of blue ocean strategy and organization performance					
Lack of Professional trained banking staff affects implementation of blue ocean strategy and organization performance					

(i) Suggest how the organization management should improve on core competencies in order to support implementation of blue ocean strategy and help in improvement of the level of organization performance?

.....

Section IV: Organizational Structure

(i) Rate the degree to which the following organizational structure issues impact the performance of Kenyan commercial banks and the implementation of the blue ocean strategy using a scale of 1 to 5 (1 being not at all, 2 being small extent, 3 being moderate extent, 4 being large extent, and 5 being very large extent).

Organizational Structure	1-Not at all	2- Small extent	3- Moderate Extent	4- Large extent	5-Very Large extent

Monitoring and coordinating the actions involved in implementing the blue ocean strategy are impacted by an ineffective organizational structure, which in turn impacts the effectiveness of the business.					
The execution of the blue ocean strategy and the effectiveness of the company are impacted by organizational structures that do not encourage collaboration and task delegation.					
Implementing a strict organizational structure prevents employees from sharing knowledge, which impacts the performance of the company and the application of the blue ocean plan.					
Blue ocean strategy implementation and organizational performance are impacted by organizational culture.					

(i) Make recommendations about how management of the company should enhance organizational structure to facilitate the application of the blue ocean strategy and raise the bar for performance.....

Appendix IV: Work Plan

	2024							
	Jan	Feb	Mar	Apr	May	June	July	Aug
Concept /research Research Proposal writing								
Research Proposal defense								
Research Proposal correction								
Research Data collection								

Research Data analysis and report writing								
Research Project submission for examination and publication								
Submission of hardbound								

Appendix V: Budget

	(KSHS) COSTS
Proposal	40,000
Pilot testing	30,000
Data collection	50,000
Data Analysis	40,000
Report Writing	40,000
Publications	10,000
Administrative costs	10,000
Miscellaneous	20,000
TOTAL	240,000

Appendix VI: Licensed Commercial Banks In Kenya


Sno	Commercial bank
1	ABSA Bank Kenya
2	Access Bank Kenya
3	African Banking Corporation Limited
4	Bank of Africa Kenya Limited
5	Bank of Baroda (K) Limited
6	Bank of India
7	Citibank N.A Kenya
8	Consolidated Bank of Kenya Limited
9	Co-operative Bank of Kenya Limited
10	Credit Bank Limited
11	Development Bank of Kenya Limited
12	Diamond Trust Bank Kenya Limited
13	DIB Bank Kenya Limited
14	Ecobank Kenya Limited
15	Equity Bank Kenya Limited
16	Family Bank Limited
17	First Community Bank Limited
18	Guaranty Trust Bank (K) Ltd
19	Guardian Bank Limited
20	Habib Bank A.G Zurich
21	I&M Bank Limited
22	Kingdom Bank Limited
23	KCB Bank Kenya Limited
24	Mayfair CIB Bank Limited
25	Middle East Bank (K) Limited
26	M-Oriental Bank Limited
27	National Bank of Kenya Limited
28	NCBA Bank
29	Paramount Bank Limited
30	Prime Bank Limited

31	SBM Bank Kenya Limited
32	Sidian Bank Limited
33	Spire Bank Ltd
34	Stanbic Bank Kenya Limited
35	Standard Chartered Bank Kenya Limited
36	NCA Kenya PLC
37	UBA Kenya Bank Limited
38	Victoria Commercial Bank Limited

Source (CBK ,2024)



Appendix VII: KUREC Approval Letter


Mount Kenya University

REF: MKU/ISERC/3709 Date: 21 May 2024
TO: JOHN GITHINJI MWANGI
REG: MBA/ 2022 /33438

Dear Sir/Madam,

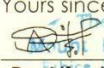
RE: FACTORS INFLUENCING IMPLEMENTATION OF BLUE OCEAN STRATEGY ON PERFORMANCE OF COMMERCIAL BANKS IN KENYA

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **2753**. The approval period is **21/05/2024 - 20/05/2025**.

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,

Chairman, Mount Kenya University ISERC

Main Campus, General Kago Road, P.O. Box 342-01000 Thika.
Cell: +254 709 153 000 | +254 709 153 200
Email: info@mku.ac.ke, Web: www.mku.ac.ke
Chartered and ISO 9001 : 2015 Certified Institution.
Unlocking Infinite Possibilities

Appendix VIII: Mount Kenya University Research Authorization Letter

Mount Kenya University



DIRECTORATE OF GRADUATE STUDIES

MBA/2022/33438

22nd May, 2024

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

Dear Sir/ Madam,

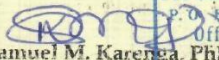
RE: JOHN GITHINJI MWANGI - REGISTRATION NO. MBA/2022/33438

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 "**Factors Influencing Implementation of Blue Ocean Strategy on Performance of Commercial Banks in 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 **June, 2024 and August, 2024.**

Any assistance accorded to the student will be highly appreciated.

Thank you.


Mount Kenya University
P.O. Box 342-01000, THIKA
Office of the Director,
Dr. Samuel M. Karenga, PhD, Graduate Studies
Director, Graduate Studies
Enc.

Main Campus, General Kago Road, P.O. Box 342-01000 Thika.
Cell: +254 709 153 000 | +254 709 153 200
Email: info@mku.ac.ke, Web: www.mku.ac.ke
Chartered and ISO 9001 : 2015 Certified Institution.
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Appendix IX: NACOSTI Research Permit



REPUBLIC OF KENYA

Ref No: 306604

RESEARCH LICENSE



This is to Certify that Mr.. JOHN GITHINJI MWANGI 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: FACTORS INFLUENCING IMPLEMENTATION OF BLUE OCEAN STRATEGY ON PERFORMANCE OF COMMERCIAL BANKS IN KENYA for the period ending : 05/June/2025.

License No: NACOSTI/P/24/36447

Applicant Identification Number 306604



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Date of Issue: 05/June/2024

W. Mutemba

Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

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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. The license any rights thereunder are non-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.
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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
Website: www.nacosti.go.ke

Appendix X: TURNINTIN



Page 1 of 84 - Cover Page

Submission ID trn:oid::1:3051993145

JOHN GITHINJI

FACTORS INFLUENCING IMPLEMENTATION OF BLUE OCEAN STRATEGY ON PERFORMANCE OF COMMERCIAL BANKS IN K...

- Assignment title
- postgraduate
- Mount Kenya University

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Page 1 of 84 - Cover Page

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- 19% Internet sources
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