

**STRATEGY IMPLEMENTATION EFFECT ON PERFORMANCE OF GULF
AFRICAN BANK IN KENYA**

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DECLARATION

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

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This research project has been submitted for examination with my approval as the duly appointed University supervisor

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DEDICATION

To my lovely parents, friends and colleagues for their support, love, care and encouragement.

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ABBREVIATION AND ACRONYMS

GAB	:Gulf African Bank
KCB	: Kenya Commercial Bank
NGO	: Non Government Organizations
RBV	: Resource Based View Theory
SBU	: Singular Business Unit
SMEs	: Small and Medium Scale Enterprises

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OPERATIONAL DEFINITION OF TERMS

Organisation Culture : The organisation culture refers to the norm and way through which organisation and its employees conduct their operation (Okumus, 2003).

Organisation Performance : Organisation Performance refers to the effectiveness of a firm in being able to accomplish its set tasks and objectives.

Organisation Structure : This is the hierachy and outline through which processes and procedures are undertaken in undertaking the delegated tasks.

Strategic Implementation : Strategic Implementation refers to the process of putting into action a formulated strategy through the development of programs, budget, and procedures (Cater, and Pucko, 2010).

Strategic Management : Strategy management involves organisation of the firm's resources and motivation of the staff to achieve objectives (Ramesh, 2011).

ABSTRACT

Many organisations have had to conduct strategy management process so as to attain competitive advantage in a very dynamic business environment. However, despite these strategies being well formulated and planned, they do not seem to deliver the desired outcomes. Several studies has been done over the years to determine the relationship between strategy implementation and performance of an organisation. The studies are not conclusive and that they do not look at how implementation of specific organisational variable affects the performance. As such, the Islamic banks in Kenya have reported low profits with the main challenge has been in transforming strategies into action. The purpose of this study was to determine the effect of strategy implementation on performance of Gulf African Bank.. The specific objectives of the study were to assess how organisational structure of Gulf of African Bank has impacted on the bank's performance, to assess effect of organisational culture in attaining organisational performance, to find out impact of organisational systems in attaining organisational performance at GAB and to determine how employee reward influences the organisational performance of the GAB. The target polpulation comprised of the seven branches based at Nairobi region. The study employed stratified sampling technique and the data was gathered both through secondary and primary data collection techniques. Structured questionnaire was used to collect the primary data. The data was analysed using both descriptive and inferential statistics to illustrate the distribution of different variables across the sample population. The analysed data was then presented in form of tables and figures. The study found out that there are four main strategy implementation determinants which highly determine how Gulf African Bank performs. These include organisational structure, organisational culture, organisational systems and employee rewards. The study also found out that these strategy implementation determinants have varying extents of influence on the organisational performance at the bank. The regression analysis further revealed that strong relationship between these determinants and organisational performance at Gulf African Bank. The study therefore concludes that the nature of effect of the strategy implementation on the organisational performance is dependent on the individual determinants. The study further concludes that an evaluation and improvement of these strategy implementation determinants could result in improved organisational performance at Gulf African Bank. The study therefore recommends that the management in the bank to closely evaluate these factors and how exactly they affect both the strategy implementation process and the entire organisation performance.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Globalisation and advanced technology have resulted to dynamic business environment where both local and global organizations are necessitated to formulate strategies so as to remain competitive (Thompson et al 2008). Strategy entails the mechanism through which an organisation attempts to make the most of opportunities available in the business environment(Pearce and Robinson, 2002). The strategies aim at accessing both the external and internal environment and providing a suitable mechanism for the organisation to reach the set goals and targets and surpass them.

Strategy implementation is defined as the sum of the actions and choices required for carrying out of a strategic plan. “It involves putting into action objectives, strategies, and policies through the development of programmes, budgets, and procedures” (Thompson and Strickland, 2003). It also ensures the development of a culture that supports strategy and creating an effective organisational structure. (David 2010).

Strategy implementation process has however received more focus in the management field as compared to formulation of the strategy itself. The increased focus can be attributed to the fact that though most strategies are well formulated they are hardly effectively implemented (Elbanna, 2006). This is supported by Miller, (2002) who established that formulated strategies that are implemented are less than 50%. Therefore raising concern to what exactly undermines the strategy implementation process in achieving its intended roles.

The banking sector has in the recent past grown immensely as with increase in both local and multinational banks. This has in turn resulted in intensified competition in the industry (Akuei et al,2016). As such, each bank yearns to outperform the other so as to gain a dominant position in the market. This has seen numerous strategies being adopted by the banks so as to gain competitive advantage. Though the strategies are hypothesised to impact positively on the organisations, the exact influence of the implementation of these strategies on the organisational performance is not well established by the existing literature. This study focus on this by taking a case of GAB which has grown to become the largest Islamic bank in Kenya.

1.1.1 Concept of strategy implementation

Strategy implementation involves making a strategic decision and its include inputs from all functional area of the organisation and therefore comprise the entire organisation. According to Thompson et al (2008), in order to attain organisational objectives, strategies must be well formulated at the early stage of the process and later be well implemented. According to David (2003), both managers and employees should be involved in the implementation decision and it is important to have sufficient communication between all parties for successful implementation.

During strategy implementation process there are components that require review and these are; policies, organisation structure, annual objectives, conflict management, managing resistance to change, and management of organisational culture and resource allocation (David, 2003). Further, in strategy implementation process conflict management plays an important part. David (2003) stated that strategic implementation

process has the human element which plays an important role and requires participation of both managers and employees of the organisation.

For the strategy to be successfully implemented, it has to be identified as measurable, mutually agreed, well understood and concise of appropriate policies to guide the decision making (Ramesh, 2011). Some of the determinants likely to influence strategy implementation include, organisation structure, organisation culture, policies, effective communication, management practices and available resources (Okumus, 2003). For successful implementation of strategy the above determinants have to be considered.

1.1.2 Organisational Performance

Organisational performance measures the ability and capability of an organisation in utilising the available resources to accomplishing their goals/objectives as well as considering their relevance to its users(Peterson et al,2003). There is a close relationship between organisation objective and concept of organisation performance. For an organisation to achieve a set of objectives,they have to utilise the available resources. This therefore means that organisation objectives and available resources have to be considered in achieving organisational performance. The performance of an organisation is believed to be able to cover broader areas including the connection between performance and organisational goals i.e effectiveness; organisational resources i.eefficiency; and, satisfaction of the stakeholders i.e relevancy.(Salarzadeh Jenatabadi,2015)

According to Sunder and Myers 2009, Organisational performance comprises three specific areas of firm outcomes that includes financial performance, product market performance and shareholder's return such as total shareholder return, economic value

added. Financial performance can be measured in ways such as cash flow, total unit sales e.t.c. According to Macleod et al. 1997, the quantitative expression of performance targets is the only way to render them meaningful.

1.1.3 Bank Industry in Kenya

The central Bank of Kenya (CBK) is responsible of ensuring the proper functioning of the Kenya's Financial system. The CBK is tasked with formulation and implementation of monetary and fiscal policies (banking industry in kenya, 2011). Kenya is among the top African country in term of having more bank per head. The biggest 10 banks account for 70% of the market and seven of them are local. This indicates the high level of competition and the agility and innovation of local banks (Growth opportunities for Kenya's banking sector, 2016). The key to success for most local banks is their ability to create and grow products and institutions that respond to the needs of Kenyans. These include use of alternative banking channels such as mobile banking, internet and agent banking for convenience and efficiency. This in turn allows growth in other sectors such as small and medium-sized enterprises (SMEs) and the informal sector, that have traditionally been less involved in formal banking services. As of 2018 Kenya has three fully-fledged Islamic banks, while five other conventional lenders have been offering Shariah-compliant services and products through what is termed Islamic Windows. The three fully fledged banks are Gulf African Bank, First Community Bank and Dubai Islamic Bank. There is on going reforms and initiatives aimed at developing a policy framework for Islamic finance in the country and this is expected to drive the growth of Islamic-finance operations. (Ngugi et al, 2018). The appeal of sharia-compliant banking products extends well beyond religious boundaries, nonetheless with 4m Muslims

in the country, the potential for growth in this segment is sizeable (Growth opportunities for Kenya's banking sector,2016).

1.1.4 Gulf African Bank

Gulf African Bank (GAB) is the first Islamic bank in Kenya and East Africa offering fully Shariah compliant financial products and services. The Bank began its operations in 2008, offering Shariah compliant products to its niche 'Muslim' market. Since its inception GAB has grown to become the largest Islamic bank in the region, offering financial products that address the needs of its niche through fair, professional and ethical banking practices .GAB has 14 branches across the country. The bank has had an increase in number of customer base since its inception (75000 customers).

In the year 2014 the Customer deposits of the bank rose to Kshs 15.8 billion as at 31 December 2014 from the Kshs 13.0 billion as at 31 December 2013, an increase of 22 % which is largely driven by the growth in customer base. In terms of profitability, since its inception, the banks has experienced consistent growth in Profit after Tax for five years with the year 2014 recording a profit after tax increase by 41 % from the Kshs 285 million recorded in 2013 to Kshs 402 million in 2014. On a before tax basis, the profitability of the Group increased by 42 % from Kshs 434 million recorded in 2013 to Kshs 616 million recorded in 2014 (Annual report, 2014)

Gulf African Bank has continued to grow stronger, taking advantage its position in the market. It has also diversified into insurance field by establishing a fully owned subsidiary, GAB Takaful Insurance Agency Limited, which offers insurance brokerage services which are shari'ah compliant. GAB Takaful Insurance Agency commenced

business in January 2014, and so far the Bank and its subsidiary GAB Takaful Insurance Agency together have recorded impressive performance in the year under review (Annual report, 2015). It has a unique product- "Annisaa Women's only Banking which offers banking services exclusively tailor-made for Women customers, at the same time offering other benefits such as exclusive seminars, discounts, priority services to their female customers at the 'Annisaa centres' with all female staff. Yet, the bank is yet to fully achieve its desired performance goals. This may be linked to there being a problem on how the strategies are implemented.

1.2 Statement of the Problem

The dynamic environments brought about by globalisation and technological advancement, had raised the importance of strategies in firms (David 2010). The strategies are adopted so as to enable the organisations attain competitive advantage and gain dominance in market. This is crucial in improving the organisational performance. Strategy implementation has received more focus than the formulation. The increased focus can be attributed to the fact that though most strategies are well formulated they are hardly effectively implemented (Elbanna, 2006). When this happens companies will continue to underperform and some even become insolvent (Njagi, 2013).

Despite the global growth trend, the Islamic banks in Kenya have reported declining profits such as Gulf African Bank (GAB) reporting slower growth in earnings. These numbers are not reflective of the market demand envisaged. The organisation also continues to experience slow growth rate despite numerous strategies being formulated by

the firm. GAB is thus yet to reach its full potential and this may be linked to there being a problem on how the strategies are implemented.

Empirical studies have been done to try and determine the relationship that exists between strategy implementation and organizational performance. Rajasekar, (2014) conducted a study on the factors that affect effective strategy implementation in a service industry in Sultanate of Oman. The result of the study was that for successful implementation of strategy leadership factor was found to be most paramount especially in service sector. This study however does not determine how strategy implementation affects the performance of an organisation. Musalika, Kule and Kibachia, (2016) conducted a study on the impact of strategic plan implementation on organizational performance in manufacturing industry in Rwanda. The study found out that the structure of the organization must to be flexible to permit implementation, resource must be available and adequately allocated. This study focused on a different context and concept from what the current study seeks to cover.

Locally, Nyakeriga, (2015) investigated the factors influencing strategic plan implementation in the newly established public universities in Kenya. The key findings were that majority 95% agreed that human resources influenced strategy implementation. Also other determinants of strategy implementation established from the study were organizational culture, leadership, effective communication and organisation structure. This study does not however relate the variables to the performance of the organisation. Muguni (2007) on his comparative study on a strategy implementation at National bank and KCB, found out the strategies resulted on a positive impact. This correlated to the studies conducted by Kiptugen (2003) and Gary (2005). On the contrary, David (2010)

established that the strategy implementation has insignificant influence on the organisation performance.

This shows that though studies have been conducted in the strategy implementation area, the findings have not been fully conclusive. Additionally, there is scarcity of studies that have been conducted locally, as most have concentrated in the developing countries. Understanding the strategy implementation process in Gulf African Bank will go along way in enhancing how the firm performs. However, the available literature is not sufficient enough to enable the determination of how strategy implementation factors have on the performance of the firm. This study therefore attempts to address this research gap and addressed the research question; what is the effect of strategy implementation process on organisational performance at Gulf African Bank?

1.3 Research Objective

The main objective of this study was to investigate the effect of strategy implementation on the performance of Gulf African Bank.

1.3.1 Specific objectives

- i) To investigate the effect of organisational structure in achieving organisational performance at Gulf African Bank.
- ii) To assess the effect of organisational culture in attaining organisational performance at Gulf African Bank.
- iii) To find out the impact of organisational systems in attaining organisational performance at Gulf African Bank.

- iv) To determine how employee reward impacts at attaining organisational performance at Gulf African Bank.

1.4 Research Questions:

The study was guided by the following research questions;

- i) What is the impact of organisational structure in attaining organisational performance?
- ii) What is the effect of organisational culture in attaining organisational performance?
- iii) What is the impact of organisational systems in attaining organisational performance?
- iv) How does employee reward impact on GAB in attaining organisational performance?

1.5 Significance of the Study

Majority of the studies done have acknowledged that planned organisation strategies do not materialised because there is more concentration in strategy formulation and less on the implementation of the strategy. Strategy implementation as such has received less research attention than strategy formulation. Moreover, studies have further established that where implementation is attempted, majority of employees lack commitment because they have no knowledge of the existence of such strategies since they were never involved in their formulations. Therefore this research will sought to fill these two gaps by conducting a comprehensive evaluation of strategy implementation process and the roles

of employees in both the formulation and the implementation of Gulf of African Bank's strategy. This was compared against the performance of the bank in order to establish any linkages.

1.6 Scope of the study

The focused will be on Gulf of African Bank as a case study. The organization was chosen due to it underperforming despite there being various strategies being implemented. Questionnaires were given out to a sample of different cadres of employees in some of the institution's branches. The target population comprised the 7 branches based at Nairobi region. This include; Kenyatta Avenue, Eastleigh I Upper Hill, Mombasa Road, Eastleigh II, Westlands and Industrial Area with the respondents being the top management.

There are many aspects of strategy implementation, however, the study only focused on the organisational structure, organisational culture, organisation system and employee reward. This tended to explain how these factors determine the strategy implementation's impact on organisational performance. Other aspects of strategy implementation like human resource, organisational structure and organisational management. The study covered a period of five years, (2012-2017) to enable comprehensive determination of the phenomenon that exists.

1.7 Limitation of the study

The study was limited by access to information being sought by the study. Some of the respondents approached may be reluctant in giving information due to confidentiality concerns. The researcher addressed the problem by having an introduction letter from the University and assured the respondents that the information obtained was to be treated with confidentiality and it will be used purely for academic purposes.

The study was also limited by the methodology used by the study where only Gulf African Bank was studied. Therefore, the findings may not be representative of all commercial banks in Kenya. Further, the respondents were not all the people involved in strategy implementation. Including all the people involved in strategy implementation may affect the findings of the study.

The form of data used by the study where primary data was used can also be a limiting factor. The accuracy of primary data collected using questionnaire may not be verified. The data provided may also be subjective and biased. To ensure that the data is reliable, Likert scale was used and objective questions used. Leading questions were also avoided.

1.8 Organisation of the study

This thesis will be organised as follows: chapter one will be the research background, statement of the problem, research objectives, research questions, significance of the study, scope of the study, and the limitations of the study. Chapter two will present literature review on the determinants strategy implementation, impact of strategy implementation on organisational performance and a conceptual framework. Chapter three will define the research methodology for the study while chapter four will report on the

major findings for the study. The fifth and the final chapter will present the major conclusions and recommendations for the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter gives a review of selected scholarly work relevant to strategy implementation process and organisation performance. The literature comprise of similar studies conducted in different contexts, their findings and arguments advanced by other scholars' on the issues underlying strategy implementation and organisational performance.

2.2 Theoretical Review

2.2.1 Resource Based View Theory

This theory was introduced by Wernerfelt, (1984) and is based solely on how organisations use their resources to attain competitive advantage. The organisation

resources include both human capabilities and physical utilities required to attain the set organisational targets.

According to Barney 2001 , the organisation resources ought to be well aligned so as their outcomes may not be imitated by their competitors . One limitation of this theory is that it assumes that the resources are immobile and heterogeneous among the firms (Thompson et. al, 2007). This is a limitation because organisations do not have their own unique resource rather they copy from their competitors hence limiting the organisation competitive advantage. Therefore this means that there is diversity in the resources owned by firms.

Resource Based Theory's proposition to the study is that it tries to link the available resources at GAB as a major determinant of strategy implementation. Adequate resource is one of the indicators in the first objective of this study that is organisational structure. Thus those strategies put in place are implemented only if the resources are sufficient enough. Therefore, for effective implementation of the strategies, the resources ought to be analysed and perfectly used (Barney, 2003). This will in turn result in improved operational performance.

2.2.2 The Stake Holders Theory

The Stakeholder's Theory is a theory of management and implementation practices that was initially introduced by Freeman (1984). The theory holds that the managers ought to formulate and implement strategies which satisfy the interests of all participants of an organisation. Lang field, (1997) adds on indicating that the management should have clear objectives of the firms and how to implement them.

The theory integrates both a resource based view and a market based view indicating that the managers of a particular firms should have their interests based on the success of firms. The theory's approach emphasises more on active management of the business environment, relationships and promotion of shared interests (Freeman, 1984). Though some scholars argue that meeting stakeholders' interests also opens up a path for corruption as argued by Smallman, (2004), this study adopts it in determining the strategy implementation practices in the GAB.

Using this theoretical framework, the determinants of the strategy implementation are majorly based on the managers' decisions. Thus the management is hypothesised to be a great determinant of how the strategies are formulated and implemented. This theory is linked to the objective two of the study that is organisational culture. Organisational culture requires proper communication and commitment of all participants in an organisation so as to achieve the firm objectives. Hence, if the management fully dedicates themselves into the strategy implementation process, it is likely to bring out a positive impact.

2.2.3 McKinsey 7s model

This model was introduced by Waterman and Peters in the 1980s and has hereafter used for strategy implementation practices. McKinsey 7s Model as described by Pascale & Athos, (1982) “is a management tool often used as an organisational analysis tool to assess and monitor internal situation of an organisation”. It holds that for an organisation to perform effectively, 7 elements ought to be integrated together. “These seven elements

take account of structure, strategy, systems, skills, style, staff and shared values” (Peters & Waterman, 1982). For the organisational objectives to be attained, these seven elements ought to be effectively aligned. Human resources are however given more emphasis to contribute more on effectiveness of strategies in McKinsey 7s model (Modahl, 2000). McKinsey 7s Model postulates that for effective implementation of strategies, the seven basic elements should be put in outmost consideration.

The theory’s implication to the study is that the major determinants of strategy implementation in GAB are the strategy, systems structure, skills, style, staff and shared values of the organisation itself and not necessary the capital or infrastructure. The independent variable of this study are organisational structure,organisational culture,organisational system and employee reward . Thus it can be used as a framework in ensuring effective implementation practices.

2.3 Empirical Literature

The literature can be categorised into four broad categories;

2.3.1 Organisational structure and strategy implementation

Kurendi, (2013) did a research on the factors influencing strategy implementation among flower Firms in Naivasha, Kenya.The data was collected using structured questionnaires . The strategy implementation was found to be influenced by both internal and external factors in the organisation environment. This study revealed that whilst flower firms do document their strategies, effective implementation is a big hurdle, highlighting factors

such as top management commitment, clear identification of activities to be carried out to effectively implement strategy, existing legal requirements, existence of budgetary allocation and internal control mechanisms, as those that must be adhered to if successful implementation of strategy is to take place. The study however did not determine the exact factors which underly the strategy implementation at the organizations.

Warugongo, (2014) investigated the strategy implementation at the National Bank of Kenya. The study adopted a case study as the unit of analysis was one organisation. The researcher used primary and secondary data collection method as well as interview guide. Data was analysed qualitatively since content analysis was used. It was established that organisational structure, leadership styles, organisational resources, culture, employees motivation and information communication technology influenced effective implementation of strategy. The study recommends that for effective strategy implementation, National bank of Kenya should formulate internal management policies that support strategy implementation. The internal policies should support flexible organisational structure to enhance communication, democratic style of management, effective resources management, and employee motivation and information communication technology for effective strategy implementation. The study focused only on the factors influencing strategy implementation at the National Bank of Kenya and not on growth and performance and also the study was limited to the National Bank of Kenya and the findings of the study may not represent all Commercial Banks.

2.3.2 Organisational culture and strategy implementation

Nyakeriga, (2015) investigated the factors influencing strategic plan implementation in the newly established public universities in Kenya. The research design was a descriptive survey carried out in three universities; South Eastern Kenya University, Technical University of Kenya and Technical University of Mombasa. The population was made up of 123 respondents from a target population of 1231 respondents and data collected using interview guides and questionnaires. The data collected was analysed by SPSS. The key findings were that majority 95% agreed that human resources influenced strategy implementation. This is because it is the employees who work for organisation who embrace and improve a particular culture within the organisation. Other determinants of strategy implementation were organisational culture, leadership, effective communication and organisation structure. The study recommends the university administration to constantly consult in services of their employees, they should also review the administration systems and advise the Government to set standard strategy implementation practices.

A study done by Abok 2013, on factors affecting effective implementation of strategic plans in NGOs in Kenya found out that both managers and employees influence the strategy implementation process. The study was conducted through a descriptive survey of 258 NGOs was conducted from a population frame of 2588 NGOs operating in Nairobi District under the Youth, Relief, Micro-Finance, Welfare and Health sectors. The study found out that management style, communication, organisational culture, stakeholders and organisational resources all affect the effectiveness of implementation of strategic plans. However the nature of relationship between the variables was not well established.

2.3.3 Organisational system and strategy implementation

Warugongo, (2014) investigated the strategy implementation at the National Bank of Kenya. The study adopted a case study as the unit of analysis was one organization. It was established that organisational structure, leadership styles, organisational resources, culture, employees motivation and information communication technology influenced successful strategy implementation process. It was concluded that for the success of commercial banks in the turbulent and competitive business environment, proper training to employees, adequate financial support, ICT integration in the system, and democratic style of management was key to effective strategy implementation for both small and large organisations locally and internationally

Gitau, (2014) investigated the strategy implementation is carried out by commercial banks in Kenya. The study was conducted through a descriptive cross sectional survey targeting all the commercial banks in Kenya. Out of the 43 licensed banks 35 responded giving a response rate of 83.3%. The study established that: Many banks develop guidelines/models to guide the process of strategy implementation but the adherence to the guidelines varies. A variety of internal and external factors unique to each institution influence the process of strategy implementation. The following attained the highest scores out of those provided to respondents: involvement of employees in implementation, efficiency in planning and execution of strategy initiatives, level of upper management support, organisational structure role in the implementation process, commitment to providing financial resources needed, human resources and technological resources and communication process. The relationship between the variables was not well determined.

2.3.4 Employee Reward and strategy implementation

Gathai et al,(2012) analysed the factors that influence implementation of performance contracts in state corporations (A Case of Kenya Civil Aviation Authority). The target population was all the employees of Kenya Civil Aviation Authority that have signed Performance Contracts between the period 2008/09 to 2011/12. The study found out that targets are mutually agreed upon and those targets are in line with the organisations objectives. The study concludes that strategy implementation evolves either from a process of winning group commitment through a coalitional form of decision-making, or as a result of complete coalitional involvement of implementation staff through a strong corporate culture. The findings of this study was limited to Kenya Civil Aviation Authority and may not represent other organisations.

2.3.5 Strategy implementation and Performance

Somi, (2017) conducted a study on the influence of strategy implementation on performance of government owned entities in Kenya. The study established that there is correlation between strategic evaluation and organisation performance of government owned entities. All components considered under this question included how an organisation sets objectives, performs evaluations, and strategic audits. Long term incentives such as pain leave, vacations, good salaries and wages, and bonus payments enhanced performance of government owned entities. The findings states that organisations that have performance objectives in place have a higher probability to enhance performance. The study a concludes that government owned entities that have well-structured performs evaluations programs do also enhance organisational performance since they enable organisations monitor and review performance outcomes

with set outcomes. This study does not consider other factors such as organisational culture and its influences on strategic implementation and performance.

2.4 Gaps in literature

The resource based view, the stake holder's theory and Mckinsey all look at implementation of specific variable and its effect on organisation performance. The resource based view concentrates on the organisation resources to attain competitive advantage. The organisation resources include both human capabilities and physical utilities required to attain the set organisational targets. This form part of organisational structure. There is a limitation to this theory since it assumes that each organisation have a uniques resources. Stake holder theory emphasises more on the management strategies without really showing the role which other employees have in strategy implementation while the McKinsey 7s Model tries to clearly link the strategy implementation to seven elements fore going the other factors which do play a great role in strategy implementation. . Thus the theories do not fully provide a framework for determining the factors for strategy implementation.

Previous studies done also seem not to be in consensus on the determinants of strategy implementation. Therefore there is a need for a model which is more practioner and researcher friendly and explains the implementation process while looking at the variables involved in implementation in an integrated way, as well as looking at the interactive effects of the variables.

Table 2.1 presents a summary of the research gap.

Table 2. 1 Summary of the reviewed literature.

Author	Study Topic	Findings	Knowledge Gap	Focus of the proposed study
Abok, (2013)	Factors affecting effective implementation of strategic plans in NGOs in Kenya.	The study found out that management style, communication, organizational culture, stakeholders and organizational resources all affect the effectiveness of implementation of strategic plans.	The nature of relationship between the variables was however not well established with the study concentrating on the NGOs which may not be an equal representation of the banks.	This study will focus on the establishing on the nature of the relationship that exists.
Kurendi, (2013)	Factors influencing strategy implementation among flower Firms in Naivasha, Kenya.	Major findings from this study were that both internal and external factors influence strategy implementation to a large extent.	The study did not determine the exact factors which underly the strategy implementation at the organizations.	This study will aim at focusing on the on the determinants of strategy implementation taking the case of Gulf Africa Bank and the relationship that exists.
Warugongo, (2014)	Strategy implementation at the National Bank of Kenya.	The study established that organizational structure, leadership styles, organizational resources, culture, employees motivation and information communication technology influenced effective implementation of strategy.	The study focused mainly on National Bank and may not be an equal representation of other banks such as Gulf African Bank.	This study will aim at determining whether the same exists in Gulf African Bank.
Gitau, (2014)	Strategy implementation	The study established	The relationship between the	The study will aim at addressing the

	n in commercial banks in Kenya.	that: Majority of the banks develop guidelines/models to guide the process of strategy implementation but the adherence to the guidelines varies.	variables was not well determined.	relationship that exists between the strategy implementation determinants and performance.
Nyakeriga, (2015)	Factors influencing strategic plan implementation in the newly established public universities in Kenya.	The key findings were that majority 95% agreed that human resources influenced strategy implementation.	The study only concentrated on the human resource determinants but did not investigate the other factors which determine how strategy implementation.	The study will use the Gulf African Bank to determine the factors undermining effective strategy implementation.
Somi, (2017)	influence of strategy implementation on performance of government owned entities in Kenya.	The study established the existence of a significant relationship between strategic evaluation and performance of government owned entities.	The study however only focused on strategic evaluation without considering other determinants.	This study will aim to focus on all the strategy determinants and the relationship that exists.

2.5 The conceptual Framework

The conceptual framework shows a diagrammatic representation of how the research variables relate to each other. This study used the conceptual framework as shown by Figure 2.1 below. Whereby the independent variables are the various determinants of the strategy implementation process while the dependent variable was the organisational performance measured in terms of Return on Assets. Particularly, the independent variables had a direct influence on how the organisation performs.

Independent variable

Dependent variable

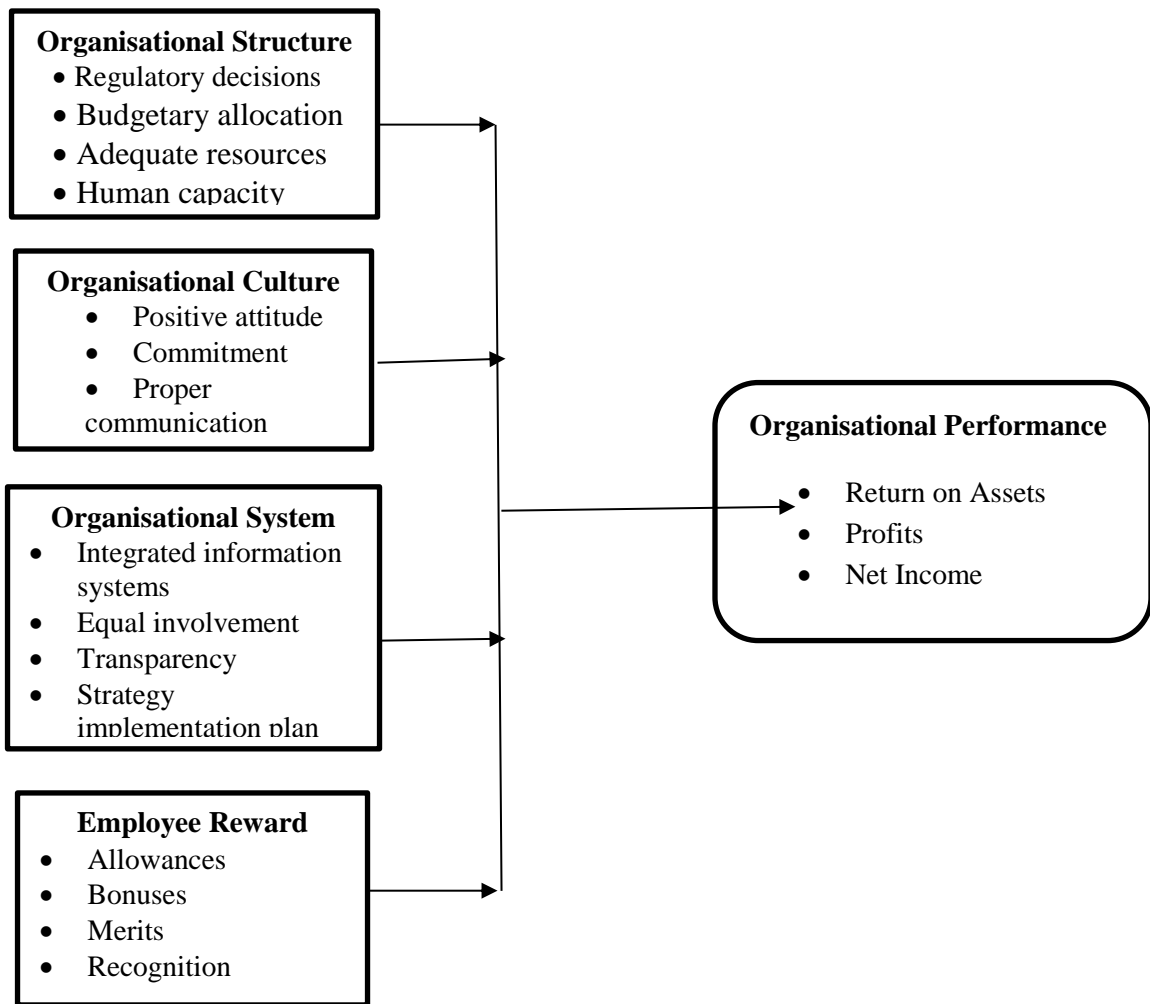


Figure 2.1 Conceptual Framework

Source: Researcher, 2017

According to Campbell & Craig 2005, Structure forms an integral part of any organisation, it serves as basis for orchestrating organisational activities. Hence, organisations understand importance of structure in carrying out business activities and its relation to strategy. The organisation structure should also ensure adequate budgetary allocation to the strategies. This will ensure that the required resources are obtained as well as the human capacity. Proper organisation culture has been established to be a huge determinant on how organisations performed David, (2005).

The organisation culture entails the norms and how activities are conducted in a particular organisation. The organisation culture influences the strategy implementation process in that a positive attitude in the organisation will ensure the staff have a positive attitude towards the implementation process (Miller, 2002). The organisation culture may be enhanced through improving relations between the management and staff. This may be through communication, improving the welfare of the employees, minimal supervision to the workers and commitment of all employees in strategy implementation.

The organisation system refers to the overall infrastructure and organisation hierarchy placed so as to ensure smooth operations are undertaken. The system should also ensure equal involvement of all stakeholders and adhering to the strategy plan (Okumus, 2001). In addition the organisation system should also have mechanism for monitoring and evaluating the strategy implementation process for maximum effectiveness

The employee reward entails giving the employees incentives and encouraging them on their operations. This acts to give the employee motivation to ensure they do their level best in their operations. Well-motivated employees have the capability of undertaking tasks better than the unmotivated ones. This will ensure that the strategies put in place are well implemented and the plan being adhered to. The employees do their level best requiring minimal supervision thus greatly improving the organisation performance. The employee reward will ensure that employees attain self-drive in undertaking the tasks. This is attributed greatly to the human resource being established to be a great contributed to the success of organisations (Pettigrew, 2012).

Financial performance is termed as an analysis of financial statement which includes the account summary and it relates to revenues and expenses, profit / loss, and changes into

assets and liabilities. Financial indicators that are general to financial performance include: Sales Growth, Returns on Assets, Sale growth and Return on Assets. Sales growth relates to improvement in overall returns in the organization and its ability to attain equilibrium with the surrounding environment (Fatoki, 2014). Return on Asset points to the profits obtained over the total assets employed. It provides an over view of how efficient the management is regarding the use of assets to attain profits.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter covers research methods that was used in the study to collect and analyse data. The chapter contains the following sub-topics: research design, the target population, sampling design, data quality checks, logistics and ethical considerations, data collection procedures and data analysis

3.2 Research design

This is the procedure employed when going about the research questions. This study used the descriptive research design to obtain qualitative and quantitative data. The research design enabled creating a detailed profile about the underlying phenomenon and where possible makes valid conclusions (Chen, Hsu & Caskey, 2013). The design involves use of questionnaires to collection of data from the respondents.

The descriptive survey research design also indepth analysis of the problem while ensuring credibility with the most complete description of the case, thus the most appropriate (Yin, 2008). The use of this research design is supported by Soy (1997) who state that it gives indepth understanding than any other methods. It makes it easy to understand and interpret how the performance of Gulf African Bank is influenced by strategy implementation practices.

Performance of Gulf African Bank was the unit of analysis, which was measured mainly by through its financial performance and growth in market-share. Study samples were drawn from selected branches of Gulf African Bank and consisted of different cadres of employees who were relevant in bank's strategy implementation.

3.3 Target Population

The target population refers to all the members of real or hypothetical set of people, events or objects to which we wish to generalise the results of our research, (Mugenda and Mugenda 2008) . GAB has 14 branches in Kenya. The target population comprised the 7 branches based at Nairobi region. This population was targeted as it is more convenient due to time, resources constraints and proximity to the researcher. This comprised a total

of 137 employees, of which were 21 managers as represented by Table 3.1. The respondents were drawn from top, middle and lower levels. This included the CEO, Chief Operating Officer, directors, departmental heads, line supervisors, bank tellers and junior staff.

Table 3. 1 Target Population

Branch	Staff	Manager
Kenyatta Avenue	20	3
Eastleigh I	30	5
Upper Hill	18	4
Mombasa Road	11	2

Eastleigh II	15	2
Westlands	12	4
Industrial Area	10	1
Total	116	21
GRAND TOTAL	137	

Source; Researcher 2017

3.4 Sampling Techniques

The sample size is a smaller group derived from the entire population which is specifically chosen so as to explain the characteristics of the whole representatively (Mugenda & Mugenda, 2003). In order to effectively address the study objectives, different cadres of employees were selected for the study. Kerlinger (1986) indicates that a sample size of over 10% of the target population is large enough to enable generalization of the results.

Stratified random sampling technique was used to select a sample size of 35 respondents which is 30% of the population of employees at GAB as shown by Table 3.2. The population is not homogenous therefore to get a sample from such a population, stratified random sampling technique was used. Due to the managers' population being small and manageable, a census approach was employed so as to include all the 21 managers. Thus, the sample size of the study was 56 employees of which 21 were the managers and the remaining 35 were the other employees.

Table 3. 2 Sample size

Branch	Managers	Staff	Staff Sample	Percentage
Kenyatta Avenue	3	20	6	30%
Eastleigh I	5	30	9	30%
Upper Hill	4	18	5	30%
Mombasa Road	2	11	3	30%
Eastleigh II	2	15	5	30%
Westlands	4	12	4	30%
Industrial Area	1	10	3	30%
Total	21	116	35	30%
GRAND TOTAL	56			

Source; Researcher 2017

3.5 Validity and Reliability

Validity refers to the extent to which an instrument measures what is was supposed to measure, (Orodho 2005). According to Huck (2000), content validity is done by expert judgements who review the survey instrument to ensure that it captures specific information it is meant to measure. To achieve this, a draft questionnaire was developed in close coordination with the study supervisors. The final questionnaire was also pre-tested and necessary adjustments made before the actual study is conducted.

Reliability refers to a measure of the degree to which a research instrument gives a consistent results (Mugenda and Mugenda 2003). Reliability is used to determine the internal consistency of the research instrument, that is the questionnaire. To measure the consistency Cronbach's alpha was used. The Cronbach's alpha coefficient with ranges between 0 and 1 were used to measure the reliability to ensure the values were higher than 0.7.

3.6 Pilot study

Piloting was done to determine the validity of the research instrument. This was done by pre testing the questionnaire on six respondent (10%) selected from one branch of GAB using purposive sampling. Based on the result from pilot test, Cronbach's Alpha was used to test internal consistency and reliability of the questionnaire. The sample from the pilot study then helped to point out shortcomings such as clarity of questionnaire in the research instrument.

3.7 Logistical and Ethical Consideration

Key ethical concerns with regards to this study included informed consent and confidentiality. Study participants were guaranteed of the confidentiality of the information provided. They were also informed that the study is for academic purposes only. Ethical concerns are likely to be minimal since no research assistants would be involved during data collection.

3.8 Data Collection Procedure

The study employed both primary and secondary data collection techniques. Secondary data collection involved literature review and library searches on data related to the study. This included the number of branches of the Gulf of Africa Bank in Kenya, growth in branches over time, the distribution of business activities across different sectors and past study findings. Primary data collection adopted both qualitative and quantitative

approaches. Primary data was collected using questionnaires and interviews conducted by the researcher.

3.8.1 Data Collection Instruments/tools

Data collection instrument refers to tools that were used in collecting data for the research. Structured questionnaires as well as interview schedules were used in collecting primary data. Structured questionnaires were used to collect quantitative data while interview schedules facilitated the collection of qualitative data. Both the interview schedules and the structured questionnaire were administered to minimise errors. Quantitative data focused on numerical data mainly on business performance. Qualitative data provided deeper understanding to the trends and the reasons behind the observations made under quantitative data.

3.9 Data Analysis

Data analysis refers to the process of obtaining meaningful information from the raw data collected. The data was first be checked for accuracy and consistency before being coded for analysis. Data collected was analysed using both descriptive and inferential statistics. Data analysis will entail both the qualitative and quantitative data analysis techniques so as to fully analyse the data from the questionnaires. The qualitative data analysis entails identifying, coding and categorizing patterns that are found in the data. The qualitative data will be presented in a narrative form and inference.

Quantitative data analysis involves using the quantifiable data. This is usually voluminous and the analysis is aided by the use of computer software (Jones 2007). The quantitative analysis was thus analysed using Statistical Package for Social Sciences. Both descriptive

statistics such as mean, frequency and deviations, as well as inferential statistics were used in analyzing the data. This enabled determination of the patterns and number of occurrences of each category. The analysed data were presented in form of tables.

3.9.1 Analytical Model

To describe the correlation between the organisational performance(dependent variable) and the determinants of strategy implementation(independent variable) regression analysis was used. The model used in analysis took the following format:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Where;

Y is the Return on Assets as a measure of organisational performance

X₁ is the organisational structure

X₂ is the organisational culture

X₃ is the organisational systems

X₄ is the employee rewards

ε represents the error in the model which was assumed to be zero

β₀, β₁, β₂, β₃ are the various intercepts

3.9.2 Test of Significance

The model significance was tested using the analysis of the variance (ANOVA), t-tests, z-tests and F-tests at 95% confidence. The coefficient of determination showed the extent to which the model explains the changes independent variable.

3.9.3 Operationalization of Variables

The relationship of variables is illustrated in table 3.3 which shows their respective indicators.

Variables	Indicators	Measurement Scale	Tools of Analysis
Dependent: Organisational Performance	<ul style="list-style-type: none"> •Return on Assets •Profits •Net Income 	<ul style="list-style-type: none"> -Interval -Nominal -Ordinal 	<ul style="list-style-type: none"> Descriptive statistics Inferential Statistics
Independent: Organisational Structure	<ul style="list-style-type: none"> •Regulatory decisions •Budgetary allocation •Adequate resources •Human capacity 	<ul style="list-style-type: none"> -Interval -Nominal -Ordinal 	<ul style="list-style-type: none"> Descriptive statistics Inferential Statistics
Independent: Organisational Culture	<ul style="list-style-type: none"> •Positive attitude •Commitment 	<ul style="list-style-type: none"> -Interval -Nominal 	<ul style="list-style-type: none"> Descriptive statistics

	<ul style="list-style-type: none"> •Proper communication 	-Ordinal	Inferential statistics
Independent: Organisational System	<ul style="list-style-type: none"> •Integrated information systems •Equal involvement •Transparency •Strategy implementation plan 	-Interval -Nominal -Ordinal	Descriptive statistics Inferential Statistics
Independent: Employee Reward	<ul style="list-style-type: none"> •Allowances •Bonuses •Merits •Recognition 	-Interval -Nominal -Ordinal	Descriptive statistics Inferential Statistics

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter deals with the results of the data collected from the field, its presentation, analysis and interpretation. The study aimed at determining the strategy implementation

effect on performance of Gulf African Bank in Kenya. Particularly, the chapter constitutes the study response rate, reliability analysis, descriptive analysis and regression analysis. The chapter finalizes with the discussion of the key findings.

4.2 Response Rate

The study’s target population entailed the selected sample of employees and managers at the various branches of Gulf African Bank in Kenya. As such, a total of 56 questionnaires were issued out of which 35 were duly filled and returned. This translates to a response rate of 62% as shown by Table 4.1. The response rate is considered to be appropriate as it in line with Mugenda and Mugenda's (2008) assertion that a response rate of 60% and above is very good and enables generalization of findings.

Table 4. 1 Response Rate

Status	Frequency	Percent
Responded	35	62.50%
Not Respond	21	37.50%
Total	56	100.00%

Source; Research Findings 2018

4.3 Reliability Analysis

Cronbach's alpha was used to determine the average correlation of items in the survey instrument to gauge their reliability based on the feedback of the pilot test. The Cronbach alpha values obtained for the variables that were higher than 0.7 were acceptable. The findings obtained are shown by Table 4.2

Table 4. 2 Reliability Analysis

Variable	No of items	Cronbach's Alpha
Organizational Structure	5	0.763
Organizational Culture	5	0.726
Organizational Systems	6	0.716
Employee Rewards	5	0.834

Source; Research Findings 2018

As shown, Organizational Structure had a Cronbach Alpha of 0.763, Organizational Culture had a value of 0.726, Organizational Systems had a value of 0.716 while Employee Rewards had a value of 0.834. This implies that all the research variables had Cronbach Alpha greater than 0.7 and hence the research instrument was reliable and valid.

4.4 Descriptive Analysis

This section represents the descriptive statistics as pertaining to the study namely; the bank branches that the respondents belonged to, the age of the respondents, their education level and the duration worked in the organizations.

4.4.1 Branches of Gulf African Bank

This section aimed at determining the bank branches that the respondents belonged to.

This was important as it enable the determination whether there was equal representation of all the bank branches in the region. The results are shown by Table 4.3.

Table 4. 3 Branches of the Respondents

Branch	Frequency	Percentage
Kenyatta Avenue	5	14.29%

Eastleigh I	7	20.00%
Upper Hill	7	20.00%
Mombasa Road	4	11.43%
Eastleigh II	4	11.43%
Westlands	4	11.43%
Industrial Area	4	11.43%
Total	35	100.00%

Source; Research Findings 2018

The results obtained showed that 20% were from Eastleigh I and Upper Hill branches each, 14% were from Kenyatta Avenue branch while 11% were from Mombasa Road, Eastleigh II, Westlands and Industrial Area branches each. This shows that there was equal representation from all the selected branches of Gulf African Bank in Nairobi thus there was no biasness in the responses.

4.4.2 Age of the Respondents

This is done to establish the respondents' age as measure of their maturity and ability to respond to the study questions. The results obtained are shown by Table 4.4.

Table 4. 4 Age of the Respondents

Age Bracket	Frequency	Percentage
Below 25 years	12	34%
26 – 35 years	19	55%
36 – 45 years	41	11%
Total	35	100%

Source; Research Findings 2018

The findings obtained showed that the majority were between 26 – 35 years with a percentage frequency of 55%, 34% below 25 years while 11% between 36 – 45 years. This implies that the most of the respondents (more than 60%) were above 25 years hence provided accurate and reliable information.

4.4.3 Education Level

This section aimed at determining the respondents’ academic qualifications based on their education level. The results are shown by Table 4.5.

Table 4. 5 Education Level

Education Level	Frequency	Percentage
Diploma	4	11%
Undergraduate Degree	24	69%
Master’s Degree	7	20%
Total	35	100%

Source; Research Findings 2018

The findings obtained showed that majority at 69% had undergraduate degrees, 20% had masters, while 11% had diplomas. This shows that the respondents were well qualified for their respective positions hence capable to respond fully to the research questions.

4.4.4 Duration Worked in the Bank

This section aimed at determining the duration the respondents had worked in the banks. This was essential as it gauges their knowledge ability on the organizations’ practices and norms. The results are presented in Table 4.6.

Table 4. 6 Duration Worked in the Bank

Working Duration (years)	Frequency	Percentage
Less than 1 year	8	23%
Above 1-3 years	15	43%
Above 3-6 years	9	25%
Above 6- 9 years	3	9%
Total	35	100%

Source; Research Findings 2018

The findings obtained showed that 43% had worked for a period of 1-3 years, 25% for a period of 3-6 years, 23% for less than a year and only 9% for a period of 6- 9 years. This thus implies that the respondents had worked in their respective banks for considerable lengths of times, hence well informed on the strategy implementation processes.

4.5 Influence of Strategy Implementation Determinants on Performance of Gulf African Bank in Kenya

The study sought at establishing the influence of the various strategy implementation determinants on performance of Gulf African Bank in Kenya. Specifically, the study investigated four key determinants; organizational structure, organizational culture, organizational systems and employee rewards.

4.5.1 Influence of Organizational Structure

The study sought to investigate the effect of organizational structure in achieving organizational performance at Gulf African Bank. To achieve this, a five point Likert Scale was applied. The findings of the study are shown by Table 4.7.

Table 4. 7 Organizational Structure

Organizational Structure	Mean	Std Dev
Proper budget allocation towards the strategy implementation process	4.26	0.9878
Adequate resources to enable proper strategy implementation	4.29	1.0051
Sufficient human capacity dedicate towards the strategies	4.20	1.2860
Equal involvement of all stakeholders in the strategy formulation	4.17	0.8941
Proper policies and guidelines are available on how strategies are to be implemented.	4.43	1.1993
Mean Score	4.27	1.0744

Source; Research Findings 2018

The findings obtained revealed that the respondents agreed to a very large extent that proper policies and guidelines are available on how strategies are to be implemented with a mean of 4.43. They also indicated a large extent on sufficient human capacity dedicate towards the strategies, adequate resources to enable proper strategy implementation, proper budget allocation towards the strategy implementation process and equal involvement of all stakeholders in the strategy formulation with means of 4.20, 4.29, 4.26 and 4.17 respectively.

On average, the effect of organisational structure in achieving organisational performance at Gulf African Bank was established to be 4.27 which imply an overall large extent of influence. This is attributed by the fact that the organization structure constitutes a very integral component in any firm. Not only does it provide a platform through which the strategies are formulated and implemented but also serves as basis for orchestrating organisational activities. This is in relation to Akuei et al, (2016) who conducted a study on effective strategy implementation in commercial banks in Southern Sudan and for improved organization performance to be attained, efficient organization structure is essential.

4.5.2 Influence of Organizational Culture

The study sought to assess the effect of organizational culture in attaining organizational performance at Gulf African Bank. To achieve this, a five point likert scale was applied.

The findings of the study are shown by Table 4.8.

Table 4. 8 Organizational Culture

Organizational Culture	Mean	Std dev
Commitment in all the employees in ensuring success in the strategies	3.91	0.7244
Proper communication between the management and employees	3.83	1.0905
Availability of a positive attitude towards the strategy implementation process	4.09	1.1513
Minimal supervision is required in ensuring that the strategies are well implemented	4.34	1.1149
The management motivates and guides the employees on how to undertake the various tasks.	4.11	0.9803
Mean Score	4.06	1.0123

Source; Research Findings 2018

The respondent to a very large extent indicated that there is minimal supervision is required in ensuring that the strategies are well implemented with a mean of 4.34. They also indicated a large extent of influence on management motivate and guide the employees on how to undertake the various tasks and availability of a positive attitude towards the strategy implementation process with means of 4.11 and 4.09 respectively. However, they indicated moderate extents on commitment in all the employees in ensuring success in the strategies and proper communication between the management and employees having means of 3.91 and 3.83 respectively.

On average, the effect of organizational culture in attaining organizational performance at Gulf African Bank was found out to be 4.06. This implies that the culture influences the

organization performs to some extent. This is supported by Miller, (2002) who established that organization culture is positively correlated on the outcomes in the firm in that it influences the strategy implementation process. In this regard, a positive attitude in the organization will ensure the staff has a positive attitude towards the implementation process.

4.5.3 Influence of Organization System

The study aimed at investigating the impact of organizational systems in attaining organizational performance at Gulf African Bank. To achieve this, a five point Likert scale was applied. The findings of the study are presented in Table 4.9.

Table 4. 9 Organization System

Organization System	Mean	Standard Deviation
The organization system provides a plan or criteria of which strategies are to be implemented	4.13	1.0665
The strategy formulation process is highly prioritized	3.97	0.8629
Availability of proper information systems where all the strategy implementation proceedings are documented	3.97	0.8026
The occurrence of corruption and fraud is minimal	1.89	0.3909
There is equal involvement of all the departments in the implementation plans.	4.37	1.0969
Mean Score	3.67	0.8440

Source; Research Findings 2018

As shown, on there being equal involvement of all the departments in the implementation plans, the respondents indicated a very large extent with means of 4.37. On whether the organization system provides a plan or criteria of which strategies are to be implemented, a mean of 4.13 was attained showing a large extent of influence. While on strategy formulation process being highly prioritized and there being availability of proper

information systems where all the strategy implementation proceedings are documented had means of 3.97 each.

However, on the occurrence of corruption and fraud being minimal, the respondents disagreed with the lowest mean of 1.89. This shows that corruption and fraud still remains a great challenge which is yet to be curbed. Overall, the influence of organisational systems in attaining organisational performance at Gulf African Bank, an average mean of 3.67 was obtained. This implies that there is moderate effect brought about by the organization system which may be brought about by the inefficiencies facing the systems. To ensure that the system facilitates proper strategy implementation procedures and improvements in the performance, there ought to be an equal involvement of all stakeholders and adhering to the strategy plan (Okumus, 2001).

4.5.4 Influence of Employee Rewards

The study aimed at determining how employee reward impacts at attaining organizational performance at Gulf African Bank. To achieve this, a five point Likert scale was applied. Table 4.10 shows the results.

Table 4. 10 Employee Rewards

Employee Reward	Mean	Std Dev
Availability of frequent employee rewards	4.31	1.0302

The rewards are based purely on merit	4.14	0.9398
Some employees get rewarded more frequently than others.	3.80	0.7266
The rewards give the employees motivation to even put more input in their work.	4.23	1.0747
The management shuns away from frequent rewarding so as to minimize on cost.	4.00	0.7677
Mean Score	4.10	0.9078

Source; Research Findings 2018

To a very large extent, the respondents indicated that there was availability of frequent employee rewards with a mean of 4.31. The respondents also agreed on the rewards give the employees motivation to even put more input in their work with a mean of 4.23 and they are based purely on merit with a mean of 4.14. However, on the management shuns away from frequent rewarding so as to minimize on cost, the respondents indicated a large extent with a mean of 4.00. This could be due to the fact that the rewards may be perceived to be an additional expense which may be avoided. While on some employees get rewarded more frequently than others, the respondents stated a moderate extent with a mean of 3.80.

Overall, employee rewards were found out to have a large extent of influence on organizational performance at Gulf African Bank with an average mean of 4.10. This is brought about by the fact that well-motivated employees have the capability of undertaking tasks better than the unmotivated ones. This will ensure that the strategies put in place are well implemented and the plan being adhered to. This concurs with David, (2003) who argues that strategic implementation process has the human element which plays an important role and requires participation of both managers and employees of the organisation.

4.5.5 Other Strategy Implementation Determinants

The study aimed at determining whether there were any other strategy measures and determinants other than the four investigated by the study. The respondents indicated other determinants to include; financial resources, environmental change, technology, product services, leadership style, task experience and industry competence. The financial resources were stated to be a critical determinant in the strategy implementation process. This is because not only does it determine the resources acquired but also the strategies to be formulated and implemented.

On environmental change and industry competence were found out that it was an external force which the organization had no full control over. Hence, they act as limiting influence on the exact impact exerted to by the strategy implementation process. The leadership style was stated to act as a guide line on how the firm operations were undertaken. Therefore, proper leadership would imply that the organization is geared towards a positive direction. These factors however, were indicated to have minimal impact on the organizational performance at the banks thus could not be used solely to account for variations in the returns.

4.5.6 Performance of Gulf African Bank in Kenya

This section aimed at establishing the performance at Gulf African Bank in Kenya and the extent to which strategy implementation determinants impacts on it. The bank was found out to have a moderate growth rate of 16% per annum with a net profit of only 583 million in the past year. Based on the responses obtained on the influence of the strategy implementation determinants on performance, majority at 43% indicated a large extent, this was followed by 26% who stated a very large extent, 20% indicated a moderate

extent, 9% indicated a small extent while only 3% indicated a very small extent. This is shown by Table 4. 11.

This shows that majority of the respondents (more than 65%) stated that the strategy implementation determinants have a positive effect on how the organization performs. However, this tends to contradict a study by Mankins and Steele (2005) who found out that companies usually realise only 63% of the financial performance promised by their strategies. Therefore, apart from the strategies, the organizations should be able to formulate other measures to ensure full maximisation of the company resources so as to achieve maximal organization performance.

Table 4. 11 Influence of strategy implementation determinants on performance

Extent	Frequency	Percentage
Very Small Extent	1	3%
Small Extent	3	9%
Moderate Extent	7	20%
Large Extent	15	43%
Very Large Extent	9	26%
Total	35	100%

Source; Research Findings 2018

4.6 Regression analysis

To establish the relationship that exists between the research variables regression analysis was used. The independent variables were determinants of strategy implementation while the dependent variable was organisational performance at Gulf African Bank in Kenya.

The regression results are shown by Table 4.12.

Table 4. 12 Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.755a	0.67	0.647	0.1868

a. Predictors: (Constant), organisational structure, organisational culture, organisational systems, employee rewards

Source; Research Findings 2018

The coefficient of determination R square is 0.67 and R is 0.755. This means that strategy determinants studied caused 67% of changes in the organisational performance. Therefore, 33% of change in organisation performance is by other factors not included in this study. The study further conducted an Analysis of Variance to check on the significance of the Model.

Table 4.13 shows the results of the findings.

Table 4. 13 Model ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	27.102	4	6.775	25.185	.000a
Residual	20.446	76	0.269		
Total	47.548	80			

a. Predictors: (Constant), organizational structure, organizational culture, organizational systems, employee rewards

b. Dependent Variable: Organizational Performance

Source; Research Findings 2018

The ANOVA results for regression coefficients indicate that the significance of the model is 0.000 are which than both 0.01 and 0.05. This thus shows that the model was highly significant in explaining influence of strategy implementation determinants that is organisational structure, organisational culture, organisational systems and employee rewards on performance. The model coefficients obtained by the study are shown in Table 4.14.

Table 4. 14 Model Coefficients

	Unstandardized				
	Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
(Constant)	0.332	0.373		0.890	0.376
Organizational Structure	0.293	0.100	0.289	2.930	0.001
Organizational Culture	-0.034	0.101	-0.032	-0.340	0.735
Organizational Systems	0.19	0.082	0.174	2.317	0.041
Employee Rewards	0.607	0.099	0.587	6.139	0.000

a. Dependent Variable: Organizational Performance

Source; Research Findings 2018,

The results obtained shows that Organizational Structure had a value of 0.293, Organizational Culture had a value of -0.034, Organizational Systems had 0.19 while Employee Rewards had a value 0.607. The positive coefficient, except organizational culture, shows that all the variables have a positive effect on the Organizational Performance. This shows an increase in these variables would result in increased Organizational Performance at the bank. All the variables except organizational culture

are significant at 95% since their p-values are less than 0.05. The predictive model thus developed by the study is; $Y = 0.332 + 0.293X_1 - 0.034X_2 + 0.19X_3 + 0.607$; Where Y is the organizational performance, X₁ is the organizational structure, X₂ is the organizational culture, X₃ is the organizational systems and X₄ is the employee rewards.

4.7 Discussion

To investigate the effect of organisational structure in achieving organisational performance at Gulf African Bank, the study found out that the organizational structure influences to a large extent on the organisational performance with the largest impact being on proper policies and guidelines that are available on how strategies are to be implemented and the least on equal involvement of all stakeholders in the strategy formulation. The organization structure forms a platform through which the strategies are implemented and also serves as basis for orchestrating organisational activities hence the positive impact. This concurs with Kurendi, (2013) who conducted a study on the factors influencing strategy implementation among flower Firms in Naivasha, Kenya. The study found out that for strategy to be implemented effectively factors eg budgetary allocation, participation of top management among other should be taken into consideration.

To assess the effect of organisational culture in attaining organisational performance at Gulf African Bank, the study found out that the organizational culture influences to a large extent on the organisational performance by ensuring the staff have a positive attitude towards the implementation process. However, the respondents indicated moderate extents on commitment in all the employees in ensuring success in the strategies and

proper communication between the management and employees. Proper organisation culture has been established to be a huge determinant on how organisations performed as postulated by David, (2005). Similarly, Nyakeriga, (2015) investigated the factors influencing strategic plan implementation in the newly established public universities in Kenya. The key findings were that majority 95% agreed that organization culture influenced strategy implementation. Thus the organization culture should be well suited to meet both the employees and companies' needs.

To find out the impact of organisational systems in attaining organisational performance at Gulf African Bank, the study established that there is moderate effect brought about by the organization system in attaining organisational performance which may be brought about by the inefficiencies facing the systems. Specifically, corruption and fraud were determined to pose the greatest challenge which is yet to be curbed. However, equal involvement of all the departments in the implementation plans and the organization system provides a plan or criteria of which strategies are to be implemented had large extent of positive influence. The positive impact relates to Warugongo, (2014) who investigated the strategy implementation at the National Bank of Kenya. The study established that organizational system influenced effective implementation of strategy. It was concluded that for the success of commercial banks in the turbulent and competitive business environment, proper training to employees, adequate financial support, ICT integration in the system, and democratic style of management was key to effective strategy implementation for both small and large organizations locally and internationally. Therefore, it ought to be given top priority in formulation of organizational strategies.

The study aimed at determining how employee reward impacts at attaining organisational performance at Gulf African Bank. Employee rewards was found out to have a large extent of influence on organisational performance at Gulf African Bank. The respondents indicated that there was availability of frequent employee rewards which give the employees motivation to even put more input in their work. The positive relationship is supported by Gathai et al (2012), who analysed the factors that influence implementation of performance contracts in state corporations (A Case of Kenya Civil Aviation Authority). The study found out there is a strong corporatye culture due to involvement of employees. The employee reward will ensure that employees attain self-drive in undertaking the tasks. Well-motivated employees have the capability of undertaking tasks better than the unmotivated ones. Yet, despite well-motivated employees having the capability of undertake tasks better than the unmotivated ones, the management was found out to somehow shun away from frequent rewarding so as to minimize on cost. Moreover,some employees were found out to get rewarded more frequently than others.

The study aimed to establish the performance at Gulf African Bank in Kenya and the extent to which strategy implementation determinants impacts on it.Based on the responses obtained on the influence of the strategy implementation determinants on performance, most of the respondents (more than 65%) stated that the strategy implementation determinants have a positive effect on how the organization performs. Hence effecient strategy implementation would translate to better and improved performance being attained.

This was further supported by the regression analysis undertaken whereby,the coefficient of determination R square obtained was 0.67 which indicates that 67% of organisational

performance change is as a result of strategy determinants studied. Therefore other factors not included in the study will account for only 33% changes in the organisational performance. This shows that there strategy determinants and GAB performance share a strong relationship .

Based on the ANOVA results for regression coefficients, the model is considered to be significant in explaining the relationship that exists. The model coefficients further obtained were Organisational Structure with a coefficient of 0.293, Organisational Culture with a coefficient of -0.034, Organisational Systems with a coefficient of 0.19 while Employee Rewards with a coefficient of 0.607. The positive coefficient, except organizational culture, shows that all the variables have a positive effect on the Organisational Performance. This shows an increase in these variables would result in increased Organisational Performance at the bank.

The positive effect of these factors is supported empirically by the studies that have been conducted. To begin with, Somi, (2017) conducted a study on the influence of strategy implementation on performance of government owned entities in Kenya and established the existence of a significant relationship. Muguni (2007) on his comparative study on a strategy implementation at National bank and KCB, found out the strategies resulted on a positive impact. This correlated to the studies conducted by Kiptugen (2003) and Gary (2005). While Elwak, (2014) conducted a study on Challenges of Strategy Implementation at Mazars Kenya and showed the need to have proper strategy implementation. On the contrary, David (2010) established that the strategy implementation has insignificant influence on the organisation performance.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary discussion on the influence of strategy implementation determinants on performance of Gulf African Bank in Kenya. The recommendations and suggestions on areas of further research are discussed at the end of the chapter.

5.2 Summary of findings

The study sought to establish the influence of strategy implementation determinants on performance with the unit of analysis being Gulf African Bank. Study samples were drawn from selected branches of the bank and consisted of different cadres of employees who are relevant in the formulation and implementation of the bank's strategy. The study employed stratified sampling technique and the data was gathered both through secondary and primary data collection techniques. The data was analysed using descriptive statistics to illustrate the distribution of different variables across the sample population. The findings of the study are summarized as below.

The study aimed at investigating how various strategy implementation determinants on performance of Gulf African Bank in Kenya. Specifically, the study investigated four key determinants; organizational structure, organizational culture, organizational systems and employee rewards. On the extent to which organizational structure influences the organizational performance at Gulf African Bank, an overall large extent was obtained. The largest impact being on proper policies and guidelines are available on how strategies are to be implemented and the least on equal involvement of all stakeholders in the strategy formulation.

On the effect of organizational culture in attaining organizational performance at Gulf African Bank, a large extent was found out. However, the respondents indicated moderate extents on commitment in all the employees in ensuring success in the strategies and proper communication between the management and employees. On the impact of organizational systems in attaining organizational performance, the study established that there is moderate effect brought about by the organization system. This may be brought

about by the inefficiencies facing the systems. Specifically, corruption and fraud were determined to pose the greatest challenge which is yet to be curbed.

On the extent to which employee reward impacts at attaining organizational performance at Gulf African Bank, a large extent of influence was obtained. The respondents indicated that there was availability of frequent employee rewards which give the employees motivation to even put more input in their work. Other strategy implementation determinants were found out by the study which included; financial resources, environmental change, technology, product services, leadership style, task experience and industry competence. These factors however, were indicated to have minimal impact on the organizational performance at the banks thus could not be used solely to account for variations in the returns.

To determine the combined effect of these variables on organizational performance at Gulf African Bank, regression analysis was undertaken whereby the coefficient of determination R square obtained was 0.67. This means that strategy determinant studied caused 67% of changes in the organizational performance. Therefore, this means that other determinants not included in the study accounted for 33% changes in the organizational performance.

The model coefficients further show that all the variables, except organizational culture, have a positive effect on the Organizational Performance.

5.3 Conclusions

From the study's findings, the study makes several conclusions. The study found out that there are four main strategy implementation determinants which highly determine how

Gulf African Bank performs. These include organizational structure, organizational culture, organizational systems and employee rewards. The study thus concludes that incorporation of strategies is a key management tactic in the firm and these determinants are concluded to predetermine their impact in the firm. The study also found out that these strategy implementation determinants have varying extents of influences on the organizational performance. The study therefore concludes that the nature of effect of the strategy implementation is dependent on the individual factors.

The regression analysis revealed that strong relationship between these factors and organizational performance at Gulf African Bank. The study thus concludes that low performance in the bank in the recent past despite there being strategies in place there being strategies in place could be brought about by these factors. The study further concludes that an evaluation and improvement of these strategy implementation determinants could result in improved organizational performance at Gulf African Bank.

5.4 Recommendations

There are several recommendations that can be made from the study findings. The four main strategy implementation determinants were found out which highly determines how Gulf African Bank performs. The study recommends that the management in the bank to closely evaluate these factors and how exactly they affect both the strategy implementation process and the entire organization performance. This will enable them to identify any limitations or strengths that are associated with these determinants.

The study also found out that strategy implementation has a strong and positive influence on how the bank performs. The study thus recommends that the management and relevant authorities in the bank to highly prioritize the strategy formulation and implementation

process in the firm. This will act greatly to ensure that the strategies which are selected are best suited to meet the organization demands and achieve the set targets. Through this any shortcomings or challenges pertaining to the strategy implementation will be easily identifiable.

The study further established that the employee rewards enable employees get motivated which in turn impacts on their output. In this regard, the study recommends that the management conducts an evaluation of the current employee rewards schemes they have put place. This will enable them determine their effectiveness in motivating employees. Also, it is recommended that the organization should come up with measures to curb the system inefficiencies such as corruption and fraud.

5.5 Suggestions for Further Research

There are many aspects of strategy implementation, however, the study only focused on the organizational structure, organizational culture, organization system and employee reward. The study thus suggests that further studies to be conducted on other strategy implementation determinants other factors other than those covered by the study. This will ensure comprehensive determination of the phenomenon that exists.

The study suggests further studies to be done taking consideration other commercial banks or other companies in other industries other than banking. This will enable comparison amongst the findings so as to ascertain the accuracy of the study. Additionally, a similar study is suggested to be conducted a different time frame so as to establish whether the current situation in the bank will still be prevailing or be will have improved.

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APPENDICES

Appendix I: Questionnaire

Introduction

This questionnaire seeks to investigate the impact of strategy implementation on the organizational performance. This study is an academic study and the information obtained through this questionnaire will be treated confidentially and will not be used for any other purpose other than academic research. Please answer by ticking in the spaces provided.

SECTION A: GENERAL INFORMATION

1. Please indicate the branch of the bank
.....

Branch	No
Kenyatta Avenue	5
Eastleigh I	7
Upper Hill	7
Mombasa Road	4
Eastleigh II	4
Westlands	4
Industrial Area	4
Total	

2. What is your highest level of education? (tick where appropriate)

- a) Secondary certificate ()
- b) Diploma ()
- c) Degree (24)
- d) Masters (7)
- e) PhD (4)
- f) Others (Please specify)

3. Please indicate your age (tick where appropriate)

- a) Below 25 years (12)
- b) 26-35 years (19)

c) 36- 45 years (4)

d) Above 45 years ()

4. How long have you worked at the Bank? (tick where appropriate)

a) Less than 1 year (8)

b) Above 1-3 years (15)

c) Above 3-6 years (9)

d) Above 6- 9 years (3)

e) Above 9-12 years ()

f) Above 12 years and over ()

SECTION B: STRATEGIES PUT IN PLACE BY THE BANK

5. This section aims at establishing the various strategies adopted taken by the banks. Please indicate the extent to which the following are applied. Use a scale of 1 to 5; where 1 is to no extent, 2 to small extent, and 3 to moderate extent, 4 to large extent and 5 to very large extent

Statement	1	2	3	4	5
Resource mobilization and utilization					
Available organizational capabilities					
The existing reward structure in the organization					
Reporting relationships in the organization between lower, middle and top Management					
Existing internal operating systems in the organization					

The physical work environment (Office space, tools of work) in the organization

The level of delegation in the organization

Existing relationships between employees and managers

Functional relationships in the organization

Level of employee empowerment in the organization

SECTION C: STRATEGY IMPLEMENTATION AND ORGANIZATIONAL PERFORMANCE

6. Organization Structure

This section seeks to obtain information concerning the effect of organization structure. Please indicate the extent to which the following are applied. Use a scale of 1 to 5; where 1 is to no extent, 2 to small extent, and 3 to moderate extent, 4 to large extent and 5 to very large extent.

Statement	1	2	3	4	5
Proper budget allocation towards the strategy implementation process					

Adequate resources to enable proper strategy implementation

Sufficient human capacity dedicate towards the strategies

Equal involvement of all stakeholders in the strategy formulation

Proper policies and guidelines are available on how strategies are to be implemented.

7. Organization Culture.

This section seeks to obtain information concerning the effect of organization culture. Please indicate the extent to which the following are applied. Use a scale of 1 to 5; where 1 is to no extent, 2 to small extent, and 3 to moderate extent, 4 to large extent and 5 to very large extent.

Statement	1	2	3	4	5
Commitment in all the employees in ensuring success in the strategies					
Proper communication between the management and employees					
Availability of a positive attitude towards the strategy implementation process					
Minimal supervision is required in ensuring that the strategies are well implemented					

The management motivate and guide the employees on how to undertake the various tasks.

8. Organization System

This section seeks to obtain information concerning the effect of organization system. Please indicate the extent to which the following are applied. Use a scale of 1 to 5; where 1 is to no extent, 2 to small extent, and 3 to moderate extent, 4 to large extent and 5 to very large extent.

Statement	1	2	3	4	5
The organization system provides a plan or criteria of which strategies are to be implemented					
The strategy formulation process is highly prioritized					
Availability of proper information systems where all the strategy implementation proceedings are documented					
The occurrence of corruption and fraud is minimal					
There is equal involvement of all the departments in the implementation plans.					

9. Employee Reward.

This section seeks to obtain information concerning the effect of employee reward. Please indicate the extent to which the following are applied. Use a scale of 1 to 5; where 1 is to

no extent, 2 to small extent, and 3 to moderate extent, 4 to large extent and 5 to very large extent.

Statement	1	2	3	4	5
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Availability of frequent employee rewards

The rewards are based purely on merit

Some employees get rewarded more frequently than others.

The rewards give the employees motivation to even put more input in their work.

The management shuns away from frequent rewarding so as to minimize on cost.

10. Are there any other strategy implementation determinants in your organization?

.....
.....
.....

11. In your own opinion what is the overall impact of strategy implementation on the organizational performance?

.....
.....
.....

Thank you for your time

Appendix 1I: Research Work plan

Month	Dec 2016	Jan 2017	Feb 2017	March 2017	April 2017	May 2017	June 2018	July 2018	Oct 2018
Topic selection and approval									
Developing statement of Problem and writing Chapter one									
Project writing									
Presentation and Corrections									

Data Collection									
Data Analysis and Interpretation									
Report writing/ Draft and Revision									
Final Report and Presentation									

APPENDIX III: Estimated Research Budget

Activity	Estimated cost (KShs.)
Project development Printing and Photocopying	4,000
Questionnaire Testing- transport, printing and telephone	5,000
Data collection-Questionnaire printing & photocopying	2,000
Data collection-transport	25,000
Data Processing (sorting, coding & input)	15,000
Printing & binding Final Report	5,000
Publishing of Journal Articles	20,000
Miscellaneous	3,000
Total	79,000

