

**STRATEGIC RESPONSES AND PERFORMANCE OF COMMERCIAL BANKS IN
GARISSA COUNTY, KENYA**

ABDIRAHMAN MOHAMED ROBLE

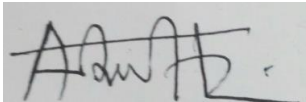
**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION (STRATEGIC MANAGEMENT) OF KENYATTA UNIVERSITY**

OCTOBER, 2021

DECLARATION

I hereby declare that the work contained in this proposal is entirely original to me and has never been used in any other higher education institution. As a result, the author warns that none of the information in this proposal should be used without the author's permission from Kenyatta University.

Signature



Date

7/10/2021

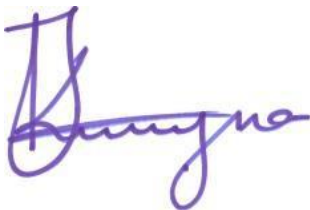
Abdirahman Mohamed Roble

D53/OL/GAR/32877/2016

Approval by the Supervisor

As the university supervisor, I give my approval for this project to be presented for examination.

Signature



Date

7/10/2021

Dr. Jane Wanjira

Department of Business Administration

DEDICATION

To my family, I do dedicate this project to you.

ACKNOWLEDGEMENT

Dr. Jane Wanjira, my supervisor, deserves special recognition for her guiding effort in seeing me successfully complete each phase by presenting her substantial research experience with me. I'd also like to convey my thankfulness to the Kenyatta University community for allowing me to be a part of such a prestigious institution.

TABLE OF CONTENTS

| | |
|---|------|
| DECLARATION | ii |
| DEDICATION | iii |
| ACKNOWLEDGEMENT | iv |
| TABLE OF CONTENTS | v |
| LIST OF TABLES | viii |
| LIST OF FIGURES | ix |
| ABBREVIATIONS AND ACRONYMS | x |
| OPERATIONAL DEFINITION OF TERMS | xi |
| ABSTRACT | xii |
| CHAPTER ONE | 1 |
| INTRODUCTION | 1 |
| 1.1 Background to the Study..... | 1 |
| 1.1.1 Strategic Responses | 3 |
| 1.1.2 Organizational Performance | 5 |
| 1.1.3 Commercial Banks in Garissa County..... | 6 |
| 1.2 Statement of the Problem..... | 7 |
| 1.3 Objectives of the Study | 9 |
| 1.3.1 General Objective | 9 |
| 1.3.2 Specific Objectives: | 9 |
| 1.4 Research Questions | 10 |
| 1.5 Significance of the Study..... | 10 |
| 1.6 Scope of the Study | 11 |
| 1.7 Limitations of the Study..... | 11 |
| 1.8 Organization of the Study | 11 |
| CHAPTER TWO | 13 |
| LITERATURE REVIEW | 13 |
| 2.1 Introduction..... | 13 |
| 2.2 Theoretical Literature Review | 13 |
| 2.2.1 Resource Based View Theory | 13 |
| 2.2.2 Ansoff Matrix Theory..... | 14 |

| | | |
|-------|--|-----------|
| 2.2.3 | Structural Contingency Theory | 15 |
| 2.3 | Empirical Literature Review | 16 |
| 2.3.1 | Product Design and Organizational Performance | 16 |
| 2.3.2 | Strategic Planning and Organizational Performance..... | 17 |
| 2.3.3 | Process Design and Organizational Performance..... | 19 |
| 2.3.4 | Employee Empowerment and Organizational Performance | 20 |
| 2.4 | Summary of Research Gaps..... | 21 |
| 2.5 | Conceptual Framework..... | 28 |
| | CHAPTER THREE | 30 |
| | RESEARCH METHODOLOGY | 30 |
| 3.1 | Introduction..... | 30 |
| 3.2 | Research Design..... | 30 |
| 3.3 | Target Population..... | 30 |
| 3.4 | Sampling Design and Sample Size | 31 |
| 3.5 | Data Collection Instrument | 31 |
| 3.6 | Validity and Reliability of the Research Instrument..... | 32 |
| 3.6.1 | Pilot Study | 32 |
| 3.6.2 | Validity of the Research Instrument..... | 32 |
| 3.6.3 | Reliability of the Research Instrument | 33 |
| 3.7 | Data Collection Procedure | 34 |
| 3.8 | Data Analysis and Presentation | 34 |
| 3.9 | Ethical Considerations | 34 |
| | CHAPTER FOUR | 36 |
| | RESEARCH FINDINGS, DISCUSSION AND INTERPRETATIONS | 36 |
| 4.1 | Introduction..... | 36 |
| 4.2 | Response Rate | 36 |
| 4.3 | Respondents' Demographic Data | 36 |
| 4.3.1 | Respondents' Gender..... | 36 |
| 4.3.2 | Respondents' Age..... | 37 |
| 4.3.3 | Respondents' Education Level | 38 |
| 4.3.4 | Respondents' Work Experience | 38 |

| | | |
|---|---|-----------|
| 4.4 | Descriptive Analysis | 39 |
| 4.4.1 | Product Design | 39 |
| 4.4.2 | Strategic Planning..... | 41 |
| 4.4.3 | Process Design..... | 44 |
| 4.4.4 | Employee Empowerment | 45 |
| 4.4.5 | Performance of Commercial Banks..... | 47 |
| 4.4.6 | Correlation Analysis..... | 49 |
| CHAPTER FIVE | | 55 |
| SUMMARY, CONCLUSIONS AND RECOMMENDATIONS | | 55 |
| 5.1 | Introduction..... | 55 |
| 5.2 | Summary | 55 |
| 5.3 | Conclusion of the Study..... | 56 |
| 5.4 | Recommendation for Policy and Practice..... | 57 |
| 5.5 | Suggestions for Further Study | 59 |
| REFERENCES..... | | 60 |
| APPENDICES..... | | 66 |
| | Appendix I: Letter of Transmittal | 66 |
| | Appendix II: Questionnaire..... | 67 |
| | Appendix III: Approval Letter | 70 |
| | Appendix IV: Research Permit | 72 |

LIST OF TABLES

| | |
|---|----|
| Table 2.1: Summary of Literature Review and Research Gaps | 24 |
| Table 3.1: Target Population..... | 31 |
| Table 3.2: Results of Reliability Tests | 33 |
| Table 4.2: Response Rate..... | 36 |
| Table 4.2: Respondents' Age..... | 37 |
| Table 4.3: Respondents' Work Experience | 38 |
| Table 4.4: Product Design..... | 39 |
| Table 4.5: Strategic Planning..... | 42 |
| Table 4.6: Process Design..... | 44 |
| Table 4.7: Employee Empowerment..... | 45 |
| Table 4.8: Organizational Performance | 47 |
| Table 4.9: Correlation Analysis | 49 |
| Table 4.10: Model Summary | 50 |
| Table 4.11: Analysis of Variance..... | 51 |
| Table 4.12: Coefficients..... | 52 |

LIST OF FIGURES

| | |
|--|----|
| Figure 2.1: Conceptual Framework | 28 |
| Figure 4.1: Respondents' Gender | 37 |
| Figure 4.2: Respondents' Education Level | 38 |

ABBREVIATIONS AND ACRONYMS

| | |
|---------------|-------------------------------------|
| CBK | Central Bank of Kenya |
| KBA | Kenya Bankers' Association |
| MRPs | Money Remittance Providers |
| NGOs | Non-Governmental Organizations |
| OMCS | Oil Marketing Companies |
| PLS | Partial Least Square |
| SARFIT | Structural Adaptation to Regain Fit |
| SCT | Structural Contingency Theory |

OPERATIONAL DEFINITION OF TERMS

| | |
|-----------------------------------|---|
| Strategic response | A series of decisions and actions that lead to the design and execution of strategies to meet an organization's goals. |
| Product design | Refer to the process of creating a new product which the Commercial banks can market to its customers |
| Strategic planning | Refer to a mechanism by commercial banks to identify their strategy or course, and to make decisions on allocating their capital to follow this strategy. |
| Process design | Refers to determining the necessary equipment, procedures, and implementation requirements for a certain process. |
| Employee empowerment | Refers to the practice of providing workers with some autonomy and accountability in making decisions about their specific organizational activities. |
| Organizational Performance | Refers to an organization's actual output or performance as compared to its stated aims and objectives. |

ABSTRACT

An organization's superior performance mostly results from its strategic choice that provides the firm a better positioning in the industry structure. As a result of dynamic environment banks face arising from high competition posed by the other commercial and non-commercial banks. Therefore, in a highly uncertain and changing environment, strategic managers need to have the strategic flexibility to respond to problems speedily. Therefore, the aim of this study was to investigate the effect of strategic responses on performance of commercial banks in Garissa County, Kenya. The study specifically determined the effect of product design, strategic planning, process design and employee empowerment on the performance. The study was anchored on Ansoff matrix theory, human capital theory, structural contingency theory and quality management theory. This study employed a descriptive survey research design. The population for this study was four commercial banks in Garissa County namely: Kenya Commercial Bank, Equity Bank, Cooperative Bank and National Bank in Garissa County, Kenya. The respondents were managers in top, middle and low level management employees. A census of 82 respondents was carried out. Primary data was collected using a structured questionnaire. Validity was ensured through content, criterion and construct validity to make sure that the instruments measures what they are intended for. Cronbach's alpha reliability coefficient was used to test the reliability of the questionnaire. Quantitative data was analyzed using descriptive statistics such as mean and standard deviation and presented in form of tables and figures. The study further carried out correlation analysis and multiple regressions to determine the effect between variables. The study determined that product design ($t= 2.781, p < 0.05$), strategic planning ($t= 2.980, p < 0.05$), process design ($t= 3.313, p < 0.05$) and employee empowerment ($t= 1.532, p < 0.05$) had a positive and significant effect on the performance. The study concluded that the banks have a very effective product design implementation that has enhanced their performance by attracting more consumers, providing ease, and making services available to their customers. Banks were able to be proactive through strategic planning, increasing operational efficiency and increasing market share and profits. The banks had a good communication system in place, and their activities were in line with their plan. Banks were able to persuade their staff to become more interested in their work by empowering them. The study recommended that the commercial banks should create a solid understanding of their opportunities by looking at the entire market based on their customer to determine the actual potential. The commercial banks should have a process and employ it regularly and consistently. The commercial banks in Garissa County their current workflow through getting the right employee with the right skills in the right place at the right time, map out and evaluate their processes and improve on technology. The commercial banks in Garissa County should delegate work and responsibility for them to take ownership of their work.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Any organization's principal goal is to produce money, grow, and survive in the environment in which it operates. By imposing limits on the organization, the environment tends to affect its vision and goals (Derek, 2016). These limits in an organization's objective environment could take the form of competition, which places a limit on the goals set by the organization. According to Kareem (2017) organizations performance rely on adapting the right strategy to a complicated and ever-changing environment. Therefore, performance of the organization refers to how an organization perceives and responds strategically to changes in the environment.

George, Walker and Monster (2019) observe that organizations differ based on the relative importance of a variety of elements connected to the organization's goal as well as the tools and techniques used to achieve it. George, Walker and Monster (2019) further observe that many firms have sought to monitor organizational performance, service to customer, social responsibility, and employee stewardship are all measured using the balanced scorecard methodology. Therefore, an organization will naturally function better when working towards a specific goal.

According to Pearce and Robinson (2012), businesses must adjust to their environment so as to reach the intended goals together with the targets. Because of the volatility of the environment, the company has had to constantly rethink its strategy in order to stay competitive. Strategic responses, according to Tebrani (2016), have been proven to be beneficial in supporting a company in dealing with environmental changes. Responses in such a manner are modifications that arise in due course to an organization's policies and goals. An organization thus needs to undergo and respond to changes for better performance.

Lee and Grewal (2014) observe that the intensity of Malaysian commercial banks' response to new technology represents the response magnitude. In addition, the speed at which these banks speed with which banks embrace new technologies varies, but prompt answers should help them to improve their performance. Organizations are expected to differ in their strategic response to performance as a result of intrinsic variances in organizational routines, business processes, and resources. Therefore, it can be argued that without the knowledge of the performance, it will be difficult for the management of these firms to know when exactly changes are needed in the organization.

According to Nzewi and Ojiagu (2015), commercial banks in Nigeria face numerous challenges comprising of high competitiveness and challenging situations posed by the current economy and in most times encounter fail and distress in making more profits as a result of their inability to be at par with the ever quick moving changes within the industry together with policies meant for organizational strategic move. The bulk of Nigeria's failing commercial banks were liquidated, according to Fakile (2017), resulting in the loss of depositor funds, job losses for workers, and a detrimental impact on other sectors of the economy. Furthermore, some commercial banks have been quietly merged or bought because they have been unable to maintain sustainable performance growth.

According to Lengwa (2014), the key competitive advantage of Kenya's commercial banks has been based on the country's large unbankable rural poor, as well as the banks' strong financial foundation and good image in the financial sector due to increased profitability. Business plans in response to changing business environments, according to Ngaira (2018), managers should be involved in the improvement of such techniques and given adequate dynamic expert in their

execution. As a result, in order to maintain a competitive advantage, banks should conduct active environmental scanning and accelerate the implementation of their strategy.

1.1.1 Strategic Responses

A set of actions and interventions that lead to the design and implementation of strategies to assist a firm accomplish its goals are known as strategic responses (Pearce & Robinson, 2015). These authors go on to explain that these plans and activities must be strategically adapted to the complexities and dynamism of a fast changing environment in order to effectively meet the company's objectives. Companies, according to Ketchen and Palmer (2017), are primarily open systems with constant interaction and external environment interfaces. As a result, strategic responses are the company plans that are often driven by constant changes in the external environment.

A response strategy denotes an organization's ability has become a significant instrument for dealing with the difficulties caused by environmental changes in the corporate environment by responding effectively to changes in the external environment (Waddock & Isabela, 2014). According to Elliott, Huffman, and Makar (2015), the level of competition in a given business environment influences an organization's eventual decision to pursue a plan. As a result, one can say that for commercial banks to attain their set performance standards, they ought to aim at implementing strategies in line with the complexity and dynamic aspects in the banking industry's rapidly changing environment.

Strategic response, according to Ross (2016), are the tactics that organizations adopt in reaction to the external environment's continual changes. This could be accomplished by strategically positioning the company in its suitable competitiveness using strategy and capability in designing, leveraging way of responding promptly through proper management of problems and

systematically managing change opposition during strategic execution. Product design, strategy planning, process design, and staff empowerment will all be part of the study's strategic responses.

In many businesses, product design is a critical strategic strategy since new goods contribute significantly to sales revenue and if companies may create unique products, they have the option of commanding premium prices (Ittner & Larcker, 2015). Dirisu, Iyiola and Ibidunni (2016) indicate that product design is a key factor in increasing the organization as it defines the qualities, functionality and efficiency of the service or product that customers need. The goal of product design is to build good or service of outstanding practical functionality and revenues at an acceptable cost and within a reasonable period.

Strategic planning is a method for establishing the company's specific long-term goals, processes for developing and reviewing various options and a mechanism for tracking program outcomes while operating (Sila & Ebrahimpour (2015). Glen and Weerawardena (2017) observe that strategic planning enhances organization's efficiency through streamlining processes, improving time management and maximizing capital effectively. Strategic planning therefore requires the use of the relevant information to determine whether certain strategic activities can be optimized in accordance with the company's goals.

Process design is the process of turning the mission, objectives and capabilities of an organization into a tangible and observable means of achieving the vision of the organization (Vera & Kuntz, 2015). According to Kohlbacher and Reijers (2017), when company processes are aligned with customer needs, process orientation encourages customer orientation, which leads to improved customer satisfaction. As a result, it is simple to find non-value adding activities by identifying and analyzing the business processes of a company, which leads to rapid modifications. Therefore,

it can be argued that process design leads to customer satisfaction by improving service delivery and eventually better organizational performance.

Employee empowerment is described as the techniques of a company to give more autonomy, control over its role to its staff, decision-making accountability for their particular organizational duties (Quinn & Gretchen, 2015). The authors further indicate that empowerment has a tremendous impact on the organization's performance in terms of employee motivation, team work, participatory decision making and so on. Zeffane and Al Zarooni (2017) noted that employee empowerment is a significant determinant for developing trusting connections in businesses, as well as a key aspect in achieving long-term transformation, which has a beneficial impact on organizational performance.

1.1.2 Organizational Performance

Organizational performance refers to a combination of monetary and non-monetary indicators that provide information on the scale of goal and outcome attainment (Kruger & Johnson, 2011). Markiewicz (2015) observe that a firm's performance must be calculated not only based on marketplace share, return on investment and the profitability, but there is a need to encompass both the qualitative and quantitative restrictions of measurement. This therefore, means that the performance is based on financial and non-financial aspects of the organization.

Organizational performance includes an organization's actual output or results, as measured against its intended objectives and goals (Venkatraman & Ramanujam, 2010). Burke and Litwin (2012) indicate that organizational performance endorses a process perspective where the focus is on the internal process of quantifying the effectiveness and the efficiency of action with a set of metrics. Organizational performance can therefore be evaluated through quality service and

products, customer satisfaction, market performance, service innovations and the relationship between employees.

Tarabieh and Al-alak (2014) view organisational performance as the degree to which an organisation is capable of meeting its stakeholders' expectations and its own specific goals that sustain its existence. Yasir, Zulqarnain, Muhammad and Aslam (2013) describe organization performance as a complex interrelationship between effectiveness, efficiency, quality, productivity, quality of work life, innovation and profitability. In this case, measurement of performance gives an indication of organization's financial capability, relevance, efficiency and effectiveness. Therefore, the measurement of commercial banks' performance in this study incorporated elements of non-financial measures which included operational efficiency, customer satisfaction and market share.

1.1.3 Commercial Banks in Garissa County

Commercial banks in Kenya are governed by the Central Bank of Kenya (CBK). In 1995, the financial system was liberalized, and exchange controls were abolished. The CBK is a government agency that reports to the Minister of Finance, is in charge of devising and implementing monetary policy as well as ensuring the financial system's liquidity, solvency, and appropriate functioning (PWC, 2012). The Kenya Bankers Association (KBA) was created by the banks in Kenya to function as a lobbying organization for the banking sector's interests.

Commercial banks in Kenya confront issues such as diminishing interest margins, the global financial crisis, which has an impact on the banking business in Kenya, deposit mobilization, trade volume decreases, asset performance, and new rules are all factors to consider (Vutsengwa & Ngugi, 2013). To raise their level of performance, commercial banks have implemented a variety of strategic response techniques. However, the bank has faced issues as a result of the other

commercial and non-commercial banks' greater competitiveness as a result of the bank's dynamic environment.

Garissa County is located in Kenya's north-eastern region and is one of the country's three counties. A total of twenty-two financial institutions serve the county. Nine commercial banks, thirteen community banks, and one microfinance institution make up the group. Kenya Commercial Bank, National Bank, Cooperative Bank, Barclays Bank, Equity Bank, Gulf Bank, Post Bank, First Community Bank, Kenya Women Finance Trust, and others are among the financial institutions in Kenya. Garissa Township is home to the majority of these banking institutions.

According to the CBK report of 2020, the total net assets in the banking sector stood at Ksh.5.4 trillion as at December 31, 2020, compared to Ksh.4.8 trillion as at December 2019, recording a growth of 12.4 percent. The number of bank branches increased marginally from 1,490 in 2019 to 1,502 in 2020, which translated to an increase of 12 branches. A total of 15 counties registered an increase of 23 bank branches while 9 counties registered a decrease of 11 bank branches. In 23 counties, there was no change in bank branches. The forex bureaus operated a total of 106 outlets countrywide as of December 31, 2020 with Garissa County registering 1 and the licensed Money Remittance Providers (MRPs) had a total of 41 outlets, out of which 33 are located in Nairobi and 4 each in Mombasa and Garissa.

1.2 Statement of the Problem

Competitive environment in the banking industry is changing rapidly to the extent that banks must change by crafting strategies to move the retail banking business forward or face the consequences of inability to fit in the turbulent environment (Ansoff & McDonnell, 2016). According to Onuonga (2018), the performance of commercial banks in Kenya has been declining over the last

decade. This is in line with the Central Bank of Kenya report of 2020 that indicate that performance of the banking sector in Kenya recorded a 29.5 percent decline in profitability as a result of a higher increase in expenses by 22.8 percent as compared to an increase in income of 7.3 percent. Also, the banking sector registered decline in performance in 2020 with profit before tax decreasing by 29.5 percent to Ksh.112.2 billion in December 2020 from Ksh.159.1 billion in December 2019. The decrease in profitability is attributed to a higher increase in expenses (Ksh.77.47billion) compared to increase in income. This requires that commercial banks should continuously learn, adapt and re-orient themselves to the changing environment which necessitates the need for response strategies on enhancing their performance.

Commercial banks in Garissa County have been ranked as the best performing bank in the banking industry in Kenya compared to other commercial banks in the banking industry that had consistent performance over the years (Koriyow & Karugu, 2018). However, the overall performance of commercial banks in Garissa County recorded KSh 20.9 billion in after-tax profit compared to 2018's Ksh 19.03 billion. The decline is attributed to low interest rates, increased fees and commissions resulting from use of digital platforms, slowdown in economic activity and the political uncertainty experienced in the country. Therefore, commercial banks in Garissa County must look ahead for the various response strategies to be able to survive in this dynamic environment.

A study carried out by Lengwa (2014) examined strategic responses by commercial banks to competition in provision of retail banking services in Kenya and established that most of their organization's main competitive edge has been based on the huge un-bankable rural poor in Kenya. As well as the most banks, which have strong financial base and good reputation in the financial sector, is due to increased profitability. However, the study used convenience-sampling method,

which is subject to sample bias. Abishua (2015) study evaluated strategic responses used by equity bank to compete in the Kenyan Banking Industry and found Equity Bank is a very flexible bank with a powerful response strategy to take advantage of any developing gaps in the banking sector. However, the results may not be conclusive as the respondents were purposively selected which could have led to a sample biasness. Muchiri, Ombui and Iravo (2017) study investigated the impact of strategic responses on the performance of oil marketing companies in Kenya and revealed that strategic differentiation and strategic alliances were found to be statistically significant. However, the study context was oil marketing companies and used different specific variables. This study sought to investigate the influence of strategic responses and performance of commercial banks in Garissa County, Kenya.

1.3 Objectives of the Study

1.3.1 General Objective

To assess how strategic responses affects performance of commercial banks in Garissa County, Kenya.

1.3.2 Specific Objectives:

- i. To assess how product design affects performance of commercial banks in Garissa County, Kenya
- ii. To explore how strategic planning affects performance of commercial banks in Garissa County, Kenya.
- iii. To examine how process design affects commercial banks performance in Garissa County, Kenya.
- iv. To determine how employee empowerment affects performance of commercial banks in Garissa County, Kenya.

1.4 Research Questions

- i. What is the effect of product design on the performance of commercial banks in Garissa County, Kenya?
- ii. How does strategic planning affect performance of commercial banks in Garissa County, Kenya?
- iii. What is the effect of process design on the performance of commercial banks in Garissa County, Kenya?
- iv. How does employee empowerment affect the performance of commercial banks in Garissa County, Kenya?

1.5 Significance of the Study

The management of the banks may use the results of the study to design products that is attractive and meets the need of the customers. It will guide them to be proactive through strategic planning, increase the operational efficiency and increasing market share and profits, accomplish effective process automation, minimize administrative costs, and find the best fit between tasks and resources and persuade their staff to become more interested in their work by empowering them.

The government and banking authorities would also benefit from this knowledge as they would use the study findings to enable banks enhance their performance as a result of having a product that was widely embraced, resulting in an increase in their customer base, adopt to changes both inside and outside of their operations. It will enable banks to accomplish effective process automation and empower their employees through training.

This study's findings are intended to contribute to research and practice by elucidating commercial banks' strategies for improving profitability through their product design, strategic planning, process design and employee empowerment. The study could provide more information

concerning strategic management and be of greater use in research that could be done afterwards into additional factors that influence performance in commercial bank Garissa County government.

1.6 Scope of the Study

This study was carried out in 4 commercial banks in Garissa County, Kenya namely; Kenya Commercial Bank, Equity Bank, Cooperative Bank and National Bank. Strategic response will be evaluated using product design, strategic planning, process design and employee empowerment dimensions. The respondents were top management employees from the banks. Data was collected using questionnaire which was analyzed using both descriptive and inferential statistics. The study focused on the performance of the institutions for the last 5 years (2015 – 2019). This is the period where inflation, interest rates, and currency rate volatility have all been putting pressure on the banking industry thus affecting their financial performance negatively.

1.7 Limitations of the Study

The study was limited by fear of respondents to disclose relevant information for the study. However, this was mitigated by assuring the respondents of strict confidentiality of any information disclosed. The busy schedules of respondents affected the data collection process. To ensure that all the respondents were available, notification was given in advance to schedule distribution of questionnaires.

1.8 Organization of the Study

The first chapter highlights the study's background, problem, objectives, questions, significance, scope and limitations. The second chapter gives a focus of theories anchoring the study, review of empirical studies related to the study objectives, summary, gaps and conceptual framework. The third chapter comprises of the study's design, population, methods of sampling and determination

of sample size, tools for data collection, piloting, procedure in collection of data, methods in analyzing the data and ethical concerns. The fourth chapter gives findings and discussions and the fifth chapter gives the summary, conclusions, recommendation and suggestions for further studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter highlights theoretical literature review, empirical literature review, summary of the literature and research gaps and conceptual framework.

2.2 Theoretical Literature Review

The section contains the study's foundational theories. These theories include; structural contingency theory and resource based view theory, Ansoff Matrix theory and structural contingency theory are discussed as follows:

2.2.1 Resource Based View Theory

This study employed the Resource-Based View (RBT) theory as pioneered by Wernerfelt in 1984. The theory argues that a firm has the ability to achieve and sustain competitive advantage if it possesses resources that are valuable, rare, imperfectly imitable and non-substitutable. Not all resources are strategically relevant within an organization. The goal of an organization is to ensure it has access to and control of valuable resources by developing and securing all the relevant resources either internally or externally.

For the sustainable competitive advantages firms are forced to rely on a multitude of outside suppliers for parts, software, knowhow and sales and in doing so gain access to valuable resources and external capabilities (Langlois, 2010). The argument here fits with the need and factors that lead to a certain response strategy decisions in firms; whether they are cost reduction, new product/services introduction, focus on core competencies or labour flexibility and how they improve organizational performance. Barney (1991) states that, “sustainable competitive advantage is derived from resources that are valuable, rare, imperfectly imitable (due to path-dependence, causal ambiguity, and social complexity), and non substitutable”. A resource-based

view of the firm accepts that attributes related to past experiences, organizational culture and competences are critical for the success of the firm.

This theory is relevant to the study because it shows that the commercial banks implement their response strategies on the basis of their resource capability. The resource-based view (RBV) is a managerial framework that the commercial banks can use to determine the strategic resources that it can exploit to enhance its performance. The RBV also focuses managerial attention on the Bank's internal resources in an effort to identify those assets, capabilities and competencies with the potential to deliver superior performance. This theory is linked to performance variable

2.2.2 Ansoff Matrix Theory

The Ansoff matrix was invented by Igor Ansoff in 1965 and is used to develop strategic options for businesses. According to Ansoff (1965) there are four strategies. First, the market penetration strategy of existing markets occurs whenever an organization penetrates a market with its current products or offerings. Second, in the market development strategy the goal can either be to change an established product or change the customer segment of a more current product. Third, the product development strategy states that new products should be created so that the company can achieve growth and development. Fourth, diversification strategy involves moving simultaneously into new products and new markets.

Nwokah, Ugoji and Ofoegbu (2015) observe that product development facets of product quality and product lines/ product mix were positively and significantly correlated with the corporate performance facets of profitability, sales volume and customer loyalty. Similarly, Fong, Lo and Ramayah (2017) observe that firm image, brand strength, product innovativeness and new product quality were found to be positively related to new product performance. Ansoff (1965) observe that the firm develops a new product to cater to the existing market. The move typically involves

extensive research, development, and expansion of the product range. The product development strategy is employed when firms have a strong understanding of their current market and are able to provide innovative solutions to meet the needs of the existing market.

This theory is relevant to the study as it shows that an organization can invest in research and development to develop new products to cater to the existing market. In addition, acquire a competitor's product and merging resources to create a new product that better meets the need of the existing market and carry out strategic partnerships with other firms to gain access to each partner's distribution channels or brand. The theory addresses product design variable.

2.2.3 Structural Contingency Theory

Donaldson (1996) developed Structural Contingency Theory (SCT). The key element of structural contingency theory is that organizations must fit their structure to the contingency factors in order to maintain and improve performance. Structural contingency theory holds that there is no single, effective structure for all organizations. According to Donaldson (1996) instead, organizations must adapt their structures to fit the contingency factors and the environment as they affect the organization. Contingency factors include: strategy, size, task, uncertainty, parent organization, public accountability, critical assets and technology.

In postulating the relevance of the theory to improving organizational performance, Donaldson (1996) uses the 5-stage Structural Adaptation to Regain Fit (SARFIT) model. First, organization is in fit as it has acclimatized to its environment. In the second stage there is in contingency change where the organizational environment changes. Consequently in the third stage, the organization is in misfit and performance suffers. The fourth stage is where the organization does structural adaptation to correct the state of misfit and to reinstate its level of performance. In the final stage, the organization achieves a new fit and performance recovers. A study by Kihara (2017) examined

the influence of strategic contingency factors on performance of large Manufacturing Firms in Kenya and revealed that strategic planning characteristics have a positive and significant influence on performance.

This theory is relevant to the study because it holds that the most effective organizational structural design is where the structure fits the contingencies. Strategic choice also plays a role in the commercial banks in that they bow to the imperative of adopting a new structure that fits its new level of the contingency factor in order to avoid loss of performance from misfit. The theory also shows that the commercial banks social and environment is subject to change. Any misfit between the contingency variables and the structure leads to lower performance. The move from misfit to fit is adaptive change which is the essence of structural contingency theory. This theory is used to explain strategic planning variable.

2.3 Empirical Literature Review

This section provides an overview of empirical research on the research specific variables.

2.3.1 Product Design and Organizational Performance

Kimamancha (2017) study evaluated factors that influence product design in Kenyan commercial banks. The researcher used descriptive research to understand the effect of strategy, research and resource availability on new product development. The research focused on a population of 79 product development officers in tier 1 banks where a census was conducted. The study findings revealed that strategy is positively and statistically significant to new product development in commercial banks in Kenya. However, research instrument only tested for validity but not reliability.

The product design strategy influence on performance in the Kenyan sugar business was investigated by Mbithi, Muturi, and Rambo (2015). A cross-sectional research design was adopted.

The study's target population included nine sugar firms in Kenya. The respondents were chosen using a purposeful sampling procedure. Collection of data was done using questionnaires and analysis of the data done using descriptive together with inferential analysis. There is a substantial link between product design strategy and overall success, according to the data. However, the study context was Sugar Industry in Kenya.

Fong, Lo, and Ramayah (2014) study assessed the influence of the product design and performance of novel financial products. In this study, 250 bank customers were randomly picked using basic random sampling. Partially least squares tests were used to test the hypotheses (PLS). Four areas of new item improvement rules, including firm picture, brand strength, item inventiveness, and new item quality, are all positively connected with organizational performance, according to the data. On the other hand, the sample used could be biased as the study made use of simple random sampling

In Kenya, Kamakia (2014) investigated how the performance of commercial banks is influenced by the product design. A total of 43 commercial banks were sampled. The study's data was both primary and secondary. Questionnaires were used in collecting primary data while secondary data sources were obtained from the company's website. It was observed that product design significantly impacted commercial bank performance, and that a bank's reputation in the market helps it stand out. Diagnostic tests for the empirical model, on the other hand, were not carried out.

2.3.2 Strategic Planning and Organizational Performance

The study by Nyanaro and Bett (2018) explored how strategic planning affects commercial bank performance in Kenya. Stratified random sample design was adopted in this investigation. As a data gathering tool, a questionnaire was used. According to the findings, strategic planning is a crystallized vision of a commercial bank's desired growth direction and contributes a critical part

in the allocation of resources and development of capabilities. However, regression model was chosen and the test for normality conducted as the only diagnostic test for the model.

Agwata and Kariuki (2018) evaluated the impact of strategic planning factors on the Kenyan Judiciary's organizational performance. The Kenyan judiciary was the study's target population. A stratified and simple random strategy was adopted in determining a sample. Collection of data was through questionnaires, which was then dissected utilizing graphic and relapse examination. The examination uncovered a positive and huge connection between essential arranging and authoritative execution. However, the study focused on Kenyan Judiciary.

Innocent and Levi (2017) conducted a study on how strategic planning affects the performance in Nigerian Bottling Company, Enugu. The examination's procedure was overview plan, and the populace designated was individuals from the Nigerian Bottling Company Enugu's work force, and the example size being resolved utilizing Taro Yamen's equation. The discoveries of the investigation show that there is a connection between great vital arranging and authoritative execution, just as that absence of responsibility, dedication, and awareness of one's position in the execution process are obstacles to strategic planning implementation. However, the study was conducted in Nigerian Bottling Company, Enugu and therefore need for a similar study in a banking industry.

Arasa and Obonyo (2012) studied how strategic planning is related with corporate performance. The study was made up of primary and secondary data sources. The investigation was conducted using a survey method. To define and establish the existence and degree of strategic planning and business performance levels. The findings show that strategic planning and company performance

have a favorable and significant link. Furthermore, every step of the strategic planning process was proven to be favorably associated to corporate success.

2.3.3 Process Design and Organizational Performance

The study by Onjure, Wanyoike, and Mungatu (2018) looked into the impact of product process on the electronic commerce strategy used by Kenyan commercial banks. A self-administered questionnaire was sent to management, supervisors, clerical and secretarial workers, and support staff at commercial banks that were randomly selected as sample respondents. The electronic commerce strategy implemented by Kenyan commercial banks has a good and significant association with process design. The study, on the other hand, relied on random sampling.

Tarigan's (2018) research focused how organization's commitment was influenced by process design. A survey of the small and medium footwear and sandals business was done, which is located in the heart of the Wedoro Waru Sub district, which has 151 business units. Respondents were given questionnaires to fill out in order to collect primary data. The Partial Least Square (PLS) technique was utilized in conjunction with smart PLS software in the analysis of the data. The findings show that organizational commitment has an impact on the planning and controlling process, as well as process innovation. The study's context, however, was the small and medium-sized footwear and sandals business.

The study by Lilian, Uzochukwu, and Francisca (2015) looked at the business process design and organizational performance of a few vehicle companies in Nigeria's southeast. Eighty-two people were chosen using random sample and the complete enumeration approach. The findings demonstrated that process redesign and employee happiness have a positive link, that work interaction advancement advances worker maintenance, and that bespoke extract obligations have an impact on organizational success. However, the study was based on automobile firms in

Southeast of Nigeria using a method of simple random sampling method which is inclined to test predisposition.

Kohlbacher and Reijers' (2013) did a study how process design affected business performance. An exploratory research design and a random sample of Austrian manufacturing enterprises were employed in the study. Organizational performance is strongly and favorably connected with measure execution assessment, an interaction arranged hierarchical design, the appropriation of consistent cycle improvement draws near, and a culture lined up with the interaction approach, according to the empirical findings. However, the study context was the city council of Nairobi.

2.3.4 Employee Empowerment and Organizational Performance

Maina (2016) investigated how employee empowerment affects the organizational commitment in Kenya's civil service. Adoption of cross-sectional approach was done. Respondents were chosen via cluster sampling from four public educational institutions. Collection of data was done using semi-structured questionnaires and document reviews. Employee empowerment was found as a basic driver of firm's responsibility. Cluster sampling, on the other hand, was used, which is more prone to sampling mistake.

Ndengwa's (2015) research looked into the perceived link between employee empowerment and organizational success in the commercial sector. The research took a descriptive method. A census of commercial banks in Kenya was done. Descriptive analysis was carried out, which included the use of absolute and relative frequencies. Employee empowerment extensively affects the exhibition of business banks in Kenya, according to the study. However, the study used qualitative data.

Kirubi (2014) study assessed how employee empowerment strategies affects performance in Kenyan commercial banks. The study focused on Kenya's 43 commercial banks with operating

licenses. The study utilized primary data which was obtained using structured questionnaire. Analysis of data was descriptively done. It was observed that all the banks had adopted policies on empowerment, which enable staff to plan and develop their own careers. However, study only covered one organization and therefore cannot be used to generalize.

A study done by Nzuve and Bakari (2012) explored how empowerment affects performance in Nairobi's city council. The study was conducted using a case study format. All Nairobi City Council employees were included in the target population. A random sample of employees from 15 departments was chosen. The majority of the analysis was done via descriptive statistics. Empowerment of workers in the Nairobi City Council. It was reveals that employees have a lot of power. However, study was based on City Council of Nairobi and findings may not apply to banking sector.

2.4 Summary of Research Gaps

The focus of the literature was primarily on how other researchers have done in relation to how strategic responses affect performance. Based on the literature review, Given that most studies exploring the association between strategic responses and organizational success have been undertaken primarily in industrialized countries with a few exceptions in Africa, As a result, this study will fill up this gap by looking into the impact of strategic responses on performance. Furthermore, most of the studies had a small sample size as their principal disadvantage; this study had an acceptable sample size to overcome this constraint. A review of literature in summary is presented in Table 2.1 together with the identified gaps that were discovered. That will serve as a guide for the researcher as they strive to fill in the gaps left by past studies.

Table 2.1: Summary of Literature and Research Gaps

| Name | Title | Methodology | Results | Gaps | Current study focus |
|---------------------------|---|--|---|---|---|
| Tarigan (2018) | Process design and performance in operations | Survey design Questionnaires Partial Least Square (PLS) technique with smart PLS software | The plan and control process together with innovation, are all influenced by organizational commitment. | The sample could not be a reflection of the total population of the use of random sampling. | The census approach was utilized in the study, which ensured accuracy because each and every unit of the population was examined before any conclusions were drawn. |
| Agwata and Kariuki (2018) | Strategic planning dimensions on organizational performance | Mixed methodology Qualitative and quantitative approaches Stratified and simple random technique Questionnaires | Strategic planning and organizational performance have a favorable and significant relationship. | Secondary data was used in the study, which could be obsolete. | The study relied on primary data, which allowed the researcher to get up-to-date information. |
| Nyanaro and Bett (2018) | Strategic planning on organizational performance in commercial banks in Kenya | Descriptive research design Stratified random sampling design. Questionnaire | Strategic planning is a crystallized picture of desired growth path of the banks | Convenience sampling yielded results that were unsatisfactory for theory testing | The current study used a census method, which ensures accuracy because every unit of the population is examined before |

| | | | | | |
|-----------------------------|--|--|---|---|---|
| | | | | | any conclusions are drawn. |
| Onjure <i>et al.</i> (2018) | Product process and performance of Kenyan Commercial Banks | Descriptive survey research design Simple random sampling Interview schedules | The electronic commerce strategy implemented by Kenyan commercial banks has a good and significant association with process design. | The sample was formed through purposive method | This study used the census approach, which ensures accuracy because each and every unit of the population is examined before any conclusions are drawn. |
| Kimamancha (2017) | Factors that influence product design in commercial banks in Kenya | Descriptive research Questionnaire Survey design Primary and secondary data | In Kenyan commercial banks, product design strategy has a favorable and genuinely huge effect on new item improvement. | Only looked at product features as a factor in determining performance. | Apart from product design, the current study looked at additional aspects that influence performance. |
| Innocent and Levi (2017) | Strategic planning and performance | Survey design Stratified sampling Questionnaires | Effective strategic planning and organizational performance have a favorable and significant relationship. | The study adopted a survey design | The study adopted descriptive design. |
| Mbithi <i>et al.</i> (2015) | Product design strategy on performance | A cross-sectional survey research design | Product design strategy and all areas of performance | The study context was Kenyan Sugar sector | This study context was commercial |

| | | | | | |
|---------------------------|--|--|--|---|---|
| | | Purposive sampling method Questionnaires | have a strong relationship. | | banks in Garissa County, Kenya |
| Kamakia (2014) | Influence of product design on performance | Mixed methodology Questionnaires Secondary data collection sheets | Commercial banks' performance is influenced by product design. | Because product design alone has no effect on performance, other elements are required. | Apart from product design, the current research looked at additional elements that influence performance. |
| Fong <i>et al.</i> (2014) | New product design and performance in the banking industry | Simple random sampling Partial Least Squares (PLS) in testing of hypotheses Questionnaires | Organizational performance was found to be positively connected to firm image, brand strength, item advancement, and new item quality. | The sample used could be biased as the study made use of simple random sampling. | A census was conducted, which provided accuracy because each and every unit of the population was examined before any conclusions were drawn. |
| Kirubi (2014) | How practices in employee empowerment affects performance | Descriptive cross-sectional survey Semi-structured questionnaire Descriptive statistics | Employee empowerment policies are in effect at all commercial banks in Kenya, allowing staff to plan and advance their careers on their own terms. | Because the study only looked at one company, it can't be utilized to make broad conclusions. | In Garissa County, Kenya, the survey covered more than one organization, including four commercial banks. |

| | | | | | |
|------------------------------|--|--|---|---|---|
| Kohlbacher and Reijers(2013) | Process design and firm performance | Exploratory research design Random sampling Primary data | Organizational success is strongly linked to process design. | Because the study used an exploratory research approach the results cannot be accurately generalized to a wider population with a smaller sample size.. | A descriptive survey study design was utilized which enabled the researcher to obtain a huge amount of data for detailed analysis |
| Nzuve and Bakari(2012) | How empowerment relates to performance | A case study design was used Random sampling Both primary and secondary data | The City Council of Nairobi's employee empowerment score indicates that employees are empowered to a considerable extent. | The study was limited to the Nairobi City Council and recommended that comparable research be conducted in other organizations. | This study looked at commercial banks in Garissa County |

Source: Researcher (2021)

2.5 Conceptual Framework

The description of how the variables under study have a relationship to each other is represented using a conceptual framework. Figure 2.1 shows that the independent variables include product design, strategic planning, process design and employee empowerment and organizational performance is the dependent variable.

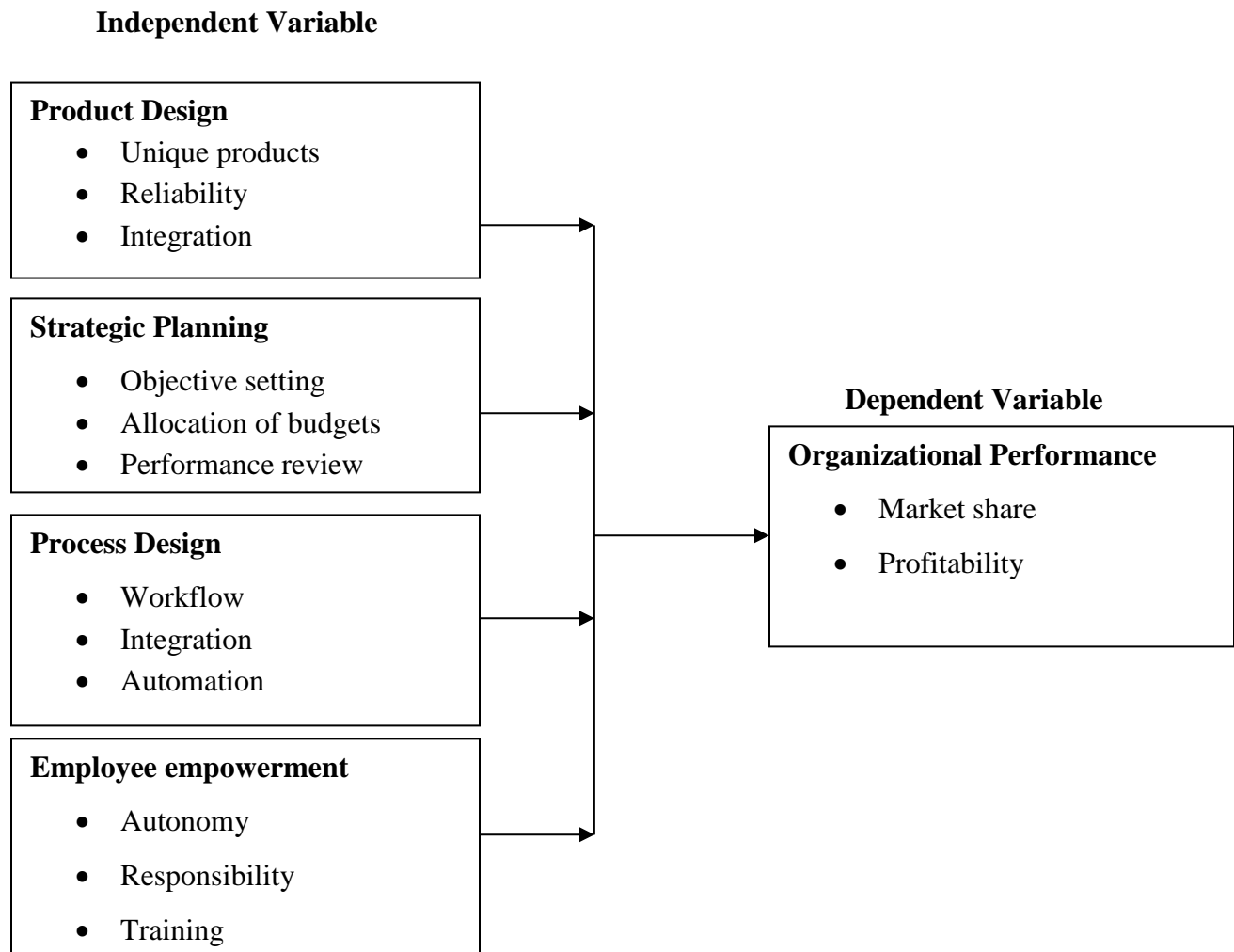


Figure 2.1: Conceptual Framework

Source: Researcher (2021)

Figure 2.1 indicates product design enables organization to identify an opportunity in the market, clearly define the problem, develop a proper remedy for that problem and validate the solution

with the loyal users. Organizations can tap on their employees' knowledge and experience through strategic planning and managers hence gain the flexibility to grow and develop with the help of its workforce. Process design allows a company to identify inefficient work processes, redesign structures or systems to match current company demands, and develop plans to quickly deploy the new modifications, resulting in improved results across the board. Employee empowerment increases employee commitment to organizational goals by permitting workers to participate in the decision-making process that leads to goal achievement.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides the research methodology that was used to help in formulating the method used in conducting the study and reporting the findings. The chapter comprises research design, target population, sampling procedure and sample size, data collection instruments, validity and reliability of research instruments, data collection procedure, data analysis method and ethical consideration.

3.2 Research Design

A descriptive research method was adopted. Dulock (2014) argue that the design entails a method that is scientifically deals with observation and documenting a subject's behavior without changing it. The design was beneficial in this study because it gives enough data in large amounts and assists in the collection of in-depth information that can be quantitative or qualitative. In this regard, the design was adopted for collection and presentation of data as per the opinion by the respondents and not changing its context.

3.3 Target Population

Kenya Commercial Bank, Equity Bank, Cooperative Bank, and National Bank, all of which are located in Garissa County, Kenya formed the study's population. The respondents were managers who were ranked into top, middle and low-level managers. This brought to the total target respondents to 82 respondents.

Table 3.1: Target Population

| Banks | Managers |
|-----------------------|-----------------|
| Kenya Commercial Bank | 22 |
| Equity Bank | 16 |
| Cooperative Bank | 26 |
| National Bank | 17 |
| Total | 82 |

Source: Human resource department report of 2021 of Kenya Commercial Bank, Equity Bank, Cooperative Bank and National Bank in Garissa County

3.4 Sampling Design and Sample Size

Gorospe, Donahue, and Karl (2015), indicate that the aim of doing sampling is to obtain a number out of the population that can be studied and give results that accurately represent that population. Mugenda and Mugenda (2003), argue that there is no need to sample if the research population is less than 100 cases; otherwise, the entire population should be investigated. As a result, an 82-respondent census was conducted because, census procedures, according to Hair (2015), provide accuracy because each unit of the population is investigated before any study results are made.

3.5 Data Collection Instrument

The study used primary data that was collected using questionnaires. According to Kealy and Turner (2013) the use of questionnaires in data collection provides more structured responses to facilitate easy and quick answers from the respondents which are easier to code and statistically analyze. The questionnaires were structured into six sections ranging from A to F whereby section A collected data regarding the respondents background information, section B was based on top product design variable, section C strategic planning variable, section D process design variable, section E employee empowerment variable and section F collected data on organizational

performance. The questionnaire used likert scale whereby the respondents were required to rate each questionnaire item according to the extent to which they agreed.

3.6 Validity and Reliability of the Research Instrument

3.6.1 Pilot Study

Piloting is composed of test undertaken to few respondents with similar characteristics so as to check whether the questionnaire will give the expected results before engaging in the final study (Orodho, 2005). Piloting of instruments has the benefit that within the process it can be easy to see contents with the questionnaires that may not be clear to the respondents. In addition, critical components can be traced and views from the respondents, thus enabling the researcher to enhance the quality of the questionnaire. A tenth of the whole sample with homogeneous characteristics was utilized in piloting, as Mugenda and Mugenda (2003) argues, is appropriate for piloting. With a sample of 82 respondents, 8 respondents will be involved in piloting.

3.6.2 Validity of the Research Instrument

Cooper and Schindler (2011) show that validity is the level where a tool for collecting data assesses the study concepts. Validity is of three main types including; content, criteria, and construct validity. Content validity represents a level whereby contents within the questionnaire achieves what is study aims at. In this study, the questionnaire items were scored on their relevance and representativeness to the issue area by the supervisor, who also functioned as the research expert. To ensure that the questionnaires addressed all essential aspects of the issue they were measuring, the content of the questionnaires was double-checked.

The criterion validity of a measure refers to how effectively it predicts the outcome of another measure. If the correlation is strong, it's a positive sign that the test is measuring what it's supposed to be measuring. The accuracy with which a measure analyzes the variable it is measuring is known as construct validity. The correlations of the measure had to be analyzed in connection to variables

that were known to be associated to the construct in order to assess construct validity. Only relevant items measuring known indicators of the variables were included in the questionnaire.

3.6.3 Reliability of the Research Instrument

The fundamental element and purpose of reliability was to estimate the consistency of measurement. Consistency implies the degree to which an instrument measures the same way each time when same subjects are treated under different conditions using same procedures (Ranjit, 2015). Cronbach’s alpha reliability coefficient was used to test the reliability of the questionnaire. According to Morse, Barrett, Mayan, Olson and Spiers (2012) a reliable instrument of data collection should have alpha value greater than or equal to 0.70. Therefore, obtained a correlation coefficient of 0.791 as shown in Table 3.2.

Table 3.2: Results of Reliability Tests

| Variable | Cronbach Alpha (α) Value |
|----------------------------|---|
| Product design | 0.795 |
| Strategic planning | 0.802 |
| Process design | 0.799 |
| Employee empowerment | 0.759 |
| Organizational performance | 0.800 |
| Aggregate score | 0.791 |

Source: Pilot Study (2021)

The results in Table 3.2 shows that the respective Cronbach alpha values of product design, strategic planning, process design, employee empowerment and organizational performance were 0.795, 0.802, 0.799, 0.759 and 0.800 respectively. This shows that the average alpha coefficient for every individual variable was way above 0.7 which satisfies the recommendation made by Mugenda and Mugenda (2003) that an alpha coefficient score of above 0.7 shows that the instruments are highly reliable.

3.7 Data Collection Procedure

Each banks' administration were notified of the purpose to conduct the study and explained its relevance as well as the level of commitment necessary from the management. Each respondent was given a self-administered questionnaire, which they were to pick up two weeks later. To remind respondents, the researcher followed up with phone calls and visits that they had until the deadline to complete the questionnaire.

3.8 Data Analysis and Presentation

The study data was quantitative in nature. Quantitative data was analyzed using descriptive statistics such as mean and standard deviation and presented in form of tables and figures where applicable with the aid of Statistical Package for Social Sciences (SPSS) version 20.0. The study further carried out correlation analysis and multiple regressions to determine the effect between variables. The regression equation followed the following form:

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

Whereby Y= Organizational performance

X₁= Product design

X₂= Strategic planning

X₃= Process design

X₄ = Employee empowerment

β₁to β₄ = Coefficients

ε = Error term

3.9 Ethical Considerations

Kenyatta University's graduate school granted permission to undertake this research through letter. The NACOSTI was also contacted for permission. In addition, required approvals to conduct the research in the banks were acquired from the commercial bank's management. Prior to engaging

the respondents, awareness was done to them that they have a freedom of choosing to participate or not. Participants were assured maximum confidentiality of any information they give and this process is purposely for academics. The participants were also given freedom of not taking part if they wished to.

CHAPTER FOUR

RESEARCH FINDINGS, DISCUSSION AND INTERPRETATIONS

4.1 Introduction

The chapter gives the presentation of findings together with the discussions. The response rate, respondents' background information, descriptive statistics together with regression analysis are all covered in this chapter.

4.2 Response Rate

The questionnaires were administered to a sample of 82 respondents and the return rate is shown in Table 4.1.

Table 4.1: Response Rate

| Category | Responded | Percentage |
|--------------|-----------|------------|
| Responded | 79 | 96.3 |
| No response | 3 | 3.7 |
| Total | 82 | 100 |

Source: Survey Data (2021)

Table 4.1 indicates that out of 82 respondents 79 responded giving a total response rate of 96.3% and 3 did not resulting to a non-response rate of 3.7%. Baruch and Holtom (2014) recommended 80% or more on response rate is enough data analysis. Therefore, 96.3% of the study response rate was considered appropriate for data analysis. Therefore, there was acceptance and credibility of the research findings of the study due to high response rate.

4.3 Respondents' Demographic Data

4.3.1 Respondents' Gender

Figure 4.1 demonstrates how gender was represented in the study.

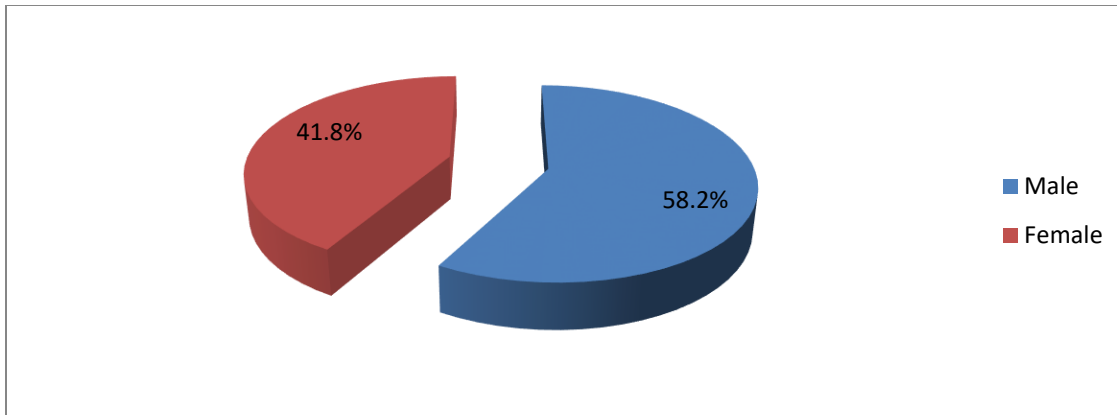


Figure 4.1: Respondents' Gender

Source: Survey Data (2021)

From the findings presented in Figure 4.1, majority were male as indicated by 58.2 % while female respondents accounted for 41.8%. Gender of the respondents was necessary to show a true representative of both men and women in the study.

4.3.2 Respondents' Age

Table 4.2 demonstrates how age was represented in the study.

Table 4.2: Respondents' Age

| Years | Frequency | Percentage |
|--------------|------------------|-------------------|
| >30 | 6 | 7.6 |
| 30-39 | 19 | 24.1 |
| 40-49 | 53 | 67.1 |
| 50 and more | 1 | 1.3 |
| Total | 79 | 100 |

Source: Survey Data (2021)

The results in Table 4.2 shows that most (67.1%) of the respondents were aged between 40 to 49 years, 24.1% aged between 30 to 39 years, 7.6% aged less than 30 years and above and those who were aged 50 years and above accounted for 1.3%. This is an indicator that those respondents involved were cut across all ages. It was critical to include respondents of various ages because

new employees can bring a fresh perspective and a distinct way of thinking to the bank, whereas elderly employees can draw on both professional and personal experiences thus make the organization achieve its objectives effectively and efficiently with the maximum contribution from their employees.

4.3.3 Respondents' Education Level

Figure 4.2 demonstrates how the level of education was represented.

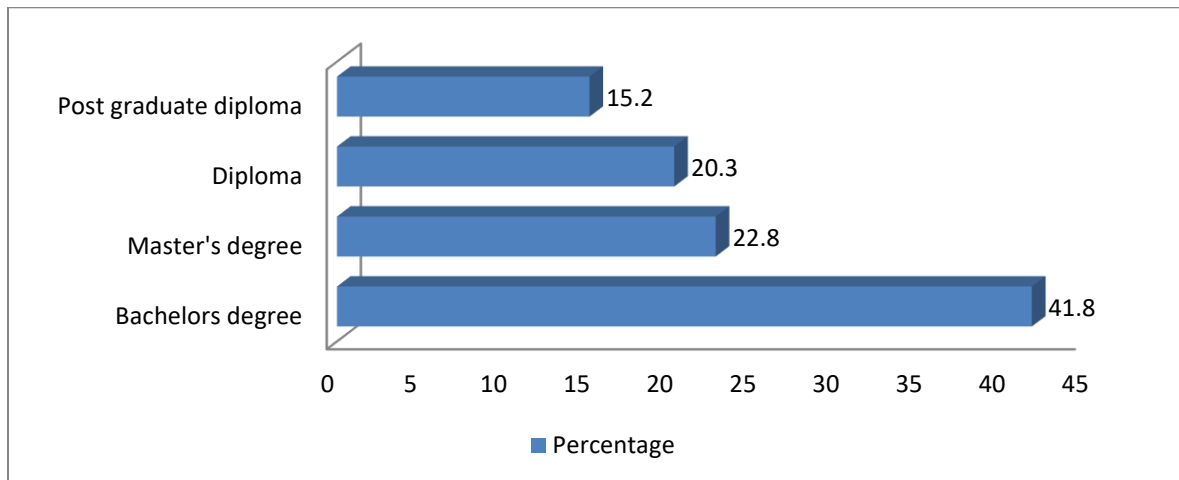


Figure 4.2: Education Level

Source: Survey Data (2021)

The findings in Figure 4.2 show that most (41.8%) of the respondents had attained a bachelor’s degree level of education, 22.8% had a master’s degree and above, 20.3% had a diploma and 15.2% had a post graduate diploma. It was necessary to establish the education level of the respondents because when employee have adequate training their more increases and are satisfied with their jobs which increases efficiency at work and resulting to better performance of the bank.

4.3.4 Respondents' Work Experience

Table 4.3 demonstrates how the experience the respondents had was reflected in the study

Table 4.3: Respondents' Work Experience

| Years | Frequency | Percentage |
|--------------|------------------|-------------------|
| Less than 5 | 7 | 8.9 |
| 5 to 9 | 6 | 7.6 |
| 10 to 15 | 29 | 36.7 |
| Above 15 | 37 | 46.8 |
| Total | 79 | 100 |

Source: Survey Data (2021)

The study established from Table 4.3 that majority (46.8%) of the respondents had a work experience of more than 15 years, 36.7% between 10 to 15 years, 8.9% less than 5 years and 7.6% between 5 to 9 years. This was an indicator that the respondents had a diverse work experience meaning that the respondents had better understanding of the environment at their workplace, what the bank expects from them and that they had experienced more opportunities in developing their competencies and acquiring skills related to their work

4.4 Descriptive Analysis

The results of the quantitative data were presented with the use of Mean (M) and Standard Deviation (SD). The findings are presented in the sections below.

4.4.1 Product Design

Product design was evaluated using different aspects including the uniqueness of the products, reliability and integration. The descriptive statistics are provided in Table 4.4.

Table 4.4: Product Design

| Statements on Product design | M | SD |
|---|----------|-----------|
| The bank offers unique products to its customers | 4.08 | 0.92 |
| The banks offers products that are accessible all the time | 4.05 | 0.95 |
| The services offered by the bank are available when the customers desire them | 4.30 | 0.70 |
| The bank offer products that can be differentiated from others | 4.12 | 0.88 |

| | | |
|--|-------------|-------------|
| The banks offer product that have multiple transactions hence improve their market share | 4.55 | 0.45 |
| Aggregate Score | 4.15 | 0.85 |

Source: Survey Data (2021)

Product design was found to have an influence on the performance of commercial banks in Garissa County, Kenya, as demonstrated by an aggregate of 4.15 and a standard deviation of 0.85 in Table 4.4. This shows that the banks have a very effective of implementation of product design which improved their performance through getting more customers, convenience and making services available to their clients. As per Fong, Lo, and Ramayah (2014), four classes of new item advancement measures, including firm picture, brand strength, item creativity, and new item quality, were discovered to be emphatically related to hierarchical execution. What's more, Nwokah, Ugoji, and Ofoegbu (2019) tracked down no critical connection between item size, item plan, productivity, deals volume, and customer dedication in an investigation that took a gander at what item creation means for an association's prosperity.

The statements were overwhelmingly supported by the respondents were that the banks offer product that have multiple transactions hence improve their market share (M=4.55, SD=0.45). This is an indicator that banks improved their performance due to having a product that was used adopted by a large number of clients hence increasing their customer base. This is in line with Kamakia's (2014) study, which took a look at the effect of item plan on business bank execution in Kenya. The investigation uncovered that item configuration valuably affects business bank execution, and that the bank's reputation in the market helps it stand out. Further, Liu, Lin and Huang (2014) study findings on how product design affects the operating performance in textile industry and showed that the unique design features of products significantly influenced the operating performance.

The statements that the respondents agreed on were; that the services offered by the bank are available when the customers desire them (M=4.30, SD=0.70), the bank offer products that can be differentiated from others (M=4.12, SD=0.88), the bank offers unique products to its customers (M=4.08, SD=0.92) and that the banks offers products that are accessible all the time (M=4.05, SD=0.95). The banks enabled the banks to enjoy loyalty from its clients, customers' complaints are minimized, and The time it takes for new products and services to reach the market is reduced. Mbithi, Muturi, and Rambo (2015) study agrees with the findings that found a strong link between product design strategy and all areas of performance. Furthermore, Roper *et al.* (2016), argue that the design is strongly linked to greater performance, regardless of the role it plays in the development of new products by Irish manufacturers.

4.4.2 Strategic Planning

Strategic planning was evaluated based on various aspects including setting objectives, budget allocation and performance review.

Table 4.5: Strategic Planning

| Statements on Strategic Planning | M | SD |
|---|-------------|-------------|
| Banks sets objectives that gives clarity in decision making | 4.50 | 0.50 |
| The bank sets objectives that give clearer focus on what is important | 3.23 | 1.77 |
| Budgetary allocation enables the bank to take advantage of buying and investing opportunities, and planning on how to lower its debt hence increasing its profitability | 3.94 | 1.06 |
| Strategic planning provides the basis and determines parameters for allocating resources and making decisions effectively. | 4.84 | 0.16 |
| Managers and supervisors can use performance reviews to discuss and explore any prospects for promotion or succession for high-performing staff. | 4.04 | 0.96 |
| Aggregate Score | 4.35 | 0.65 |

Source: Survey Data (2021)

The respondents agreed that succession planning influences commercial bank performance in Garissa County by an aggregate of 4.35 and 0.65 as the standard deviation. This is an implication that through strategic planning banks were able to be proactive, the efficiency on operations was improved which further increased its market share and profits. Arasa and Obonyo (2012), who conducted a study on how between strategic planning affects company performance, and discovered strategic planning positively related with performance. Furthermore, at each individual level within the process of planning strategically had a clear prove of favorable association with corporate success. The findings also support Akinyele and Fasogbon's (2016) study, which looked at how strategic planning affected performance and found that there is a positive connection between essential arranging and authoritative accomplishment in the present business climate.

The statements were overwhelmingly supported by the respondents were that the bank sets objectives that gives clarity in decision making (M=4.84, SD=0.16) and that Strategic planning

provides the basis and determines parameters for allocating resources and making decisions effectively ($M=4.50$, $SD=0.50$). The results show that the banks had the option to adapt up to the progressions both from the inside and outside their activities. This is in accordance with the discoveries of Nyanaro and Bett's (2018) study, which took a gander at the effect of key anticipating business bank execution in Kenya. They tracked down that essential arranging addresses a solidified vision of a business bank's ideal development bearing and assumes a basic part in deciding asset allotment and capacity advancement.

The statements that the respondents agreed on were; managers and supervisors can use performance reviews to discuss and explore any prospects for promotion or succession for high-performing staff. ($M=4.04$, $SD=0.96$) and that budgetary allocation enables the bank to take advantage of buying and investing opportunities, and planning on how to lower its debt hence increasing its profitability ($M=3.94$; $SD=1.06$). The results reflect that the banks are able to streamline its operations and their employees stayed focused on specified goals and maintained a sense of purpose. This is in accordance with the discoveries of Innocent and Levi (2017) study, which took a gander at the effect of vital anticipating the exhibition of the Nigerian Bottling Company, Enugu, and found that there is a connection between viable vital arranging and authoritative execution, just as that absence of responsibility, responsibility, and comprehension of the job in the execution interaction are on the whole factors.

The statement that was moderately rated was that the bank sets objectives that give clearer focus on what is important ($M=3.23$, $SD=1.77$). This contradicts the findings of Agwata and Kariuki (2018) study that investigated how strategic planning measurements affected hierarchical execution of the Kenyan legal executive and the investigation found that there was a positive and critical connection between essential arranging and authoritative execution. The findings also

contradict the conclusions of Jayawarna and Dissanayake's (2019) study on how strategic planning affects organizational performance, which found a substantial link between strategic planning and organizational performance.

4.4.3 Process Design

Process design was evaluated using different aspects including the workflow, integration and automation.

Table 4.6: Process Design

| Statements on Process Design | M | SD |
|--|-------------|-------------|
| Process design improves interrelation between employees within the bank | 4.75 | 0.25 |
| Integration optimize business processes | 4.05 | 0.95 |
| Process design allows optimization of resource usage | 4.28 | 0.72 |
| Process design allows the organization to identify changes and communicate them to employees | 4.75 | 0.25 |
| Modern equipment enables the bank meet changing business needs | 3.58 | 1.42 |
| Aggregate Score | 4.55 | 0.45 |

Source: Survey Data (2021)

Process design was found to have an influence on performance of commercial banks in Garissa County by aggregate of 4.55 and a standard deviation of 0.45 in Table 4.6. The findings show that banks had effective communication process, properly align their operations with their strategy. This is supported by the findings of the empirical findings of Kohlbacher and Reijers (2013) concentrate on the impacts of interaction situated authoritative plan on firm execution uncover that cycle execution estimation, an interaction arranged hierarchical design, the utilization of nonstop cycle improvement strategies, and an interaction situated culture are all fundamentally and emphatically connected with or identified with firm execution. In their investigation on what business measure direction means for authoritative execution, Skrinjar, Indihar-Stemberger, and

Hernaus (2017) found that business cycle direction prompts more noteworthy non-monetary execution and, by implication, better monetary execution.

The statements that were agreed strongly were; that process design allows the organization to identify changes and communicate them to employees ($M=4.75$, $SD=0.25$) and that process design improves interrelation between employees within the bank ($M=4.75$, $SD=0.25$). The banks' process reform allows for the creation of a new, better process. It is an essential component of every new system deployment and serves as the foundation for establishing a successful financial organization. This is in accordance with Onjure, Wanyoike, and Mungatu's (2018) study, that looked into the impact of product process on commercial banks' electronic commerce strategies in Kenya and discovered that process design has a positive and significant relationship with commercial banks' electronic commerce strategies.

The respondents agreed on the statements that process design allows optimization of resource usage ($M=4.28$, $SD=0.72$), modern equipment enables the bank meet changing business needs ($M=4.05$, $SD=0.95$) and that integration optimize business processes ($M=3.58$, $SD=1.42$). The banks were able to achieve effective process automation, reduce administrative expenses, and discover the greatest match between tasks and resources thanks to process design. This is in line with Tarigan's (2018) results, which looked into the influence of commitment to organizational processes on increasing performance in operations, and found an impact on the planning and controlling process, process innovation.

4.4.4 Employee Empowerment

Employee empowerment was evaluated using different aspects including autonomy, responsibility and training.

Table 4.7: Employee Empowerment

| Statements on Employee Empowerment | M | SD |
|---|-------------|-------------|
| Giving staff autonomy makes them have a greater sense of team and organizational culture | 4.52 | 0.48 |
| Assigning responsibility to employees makes them feel motivated to learn new skills. | 4.63 | 0.37 |
| Employee empowerment that is positive gives workers a sense of ownership over their work. | 3.87 | 1.13 |
| Training leads to increased job satisfaction and morale among employees. | 3.43 | 1.57 |
| Employee empowerment boosts employee morale | 4.44 | 0.56 |
| Aggregate Score | 4.51 | 0.49 |

Source: Survey Data (2021)

The respondents strongly agreed that employee empowerment influences commercial bank performance in Garissa County, as demonstrated by an aggregate of 4.51 and 0.49 as the standard deviation. This showed that through empowerment the banks were able to motivate its employees who became more engaged their work. The findings of the Maina (2016) study, which looked at how employee empowerment affects organizational commitment in the Kenya Civil Service and identified employee empowerment as a key factor in organizational commitment. This is reinforced by a study by Nadeem *et al.* (2018), which looked at how employee empowerment influences organizational performance and found a significant impact.

The statements that the respondents strongly agreed were; assigning responsibility to employees makes them feel motivated to learn new skills (M=4.63, SD=0.37) and that giving employees autonomy makes them have a greater sense of team and organizational culture (M=4.52, SD=0.48). The banks were able to gain more trust from their employees through empowering them. This is in accordance with the discoveries of Ndengwa's (2015) study, which investigated the apparent connection between representative strengthening and hierarchical execution among business banks

in Kenya and found that worker strengthening essentially affects the presentation of business banks in Kenya. Empowering the staff has a considerable impact on performance Mukwakungu, Mankazana, and Mbohwa (2018) study, which investigated how employee empowerment influenced organizational performance. Worker strengthening fundamentally affected execution, as per the discoveries of the investigation.

The statements that the respondents agreed were; employee empowerment boosts employee morale ($M=4.44$, $SD=0.56$) and that employee empowerment that is positive gives workers a sense of ownership over their work ($M=3.87$, $SD=1.13$). This demonstrates that when staff becomes more involved in strategy implementation, bank managers are freed to focus on strategy and the big picture. This is reinforced by the findings of Kirubi (2014) showed that all Kenyan commercial banks have empowerment policies that allow employees to plan and construct their own careers.

In a moderate extent, respondents indicated that training leads to increased job satisfaction and morale among employees ($M=3.43$, $SD=1.57$). This demonstrates that taking a longer time in educating employees may create anxious, and when they are stressed, their job performance may suffer as a result. As a result, banks may devote far less time to training employees, which may not be beneficial in making them more productive or informed. according to Nzuve and Bakari's (2012) study, which looked how empowerment relates with performance in the Nairobi City Council revealed that the rate of empowering staff working with Nairobi City Council suggests a large extent of empowerment.

4.4.5 Performance of Commercial Banks

Performance was evaluated in various aspects including the market share and profitability.

Table 4.8: Performance of Commercial Banks

| Statements on Performance of Commercial Banks | M | SD |
|--|-------------|-------------|
| Strategic response has assisted banks to increase market share | 4.42 | 0.58 |
| Strategic response has enabled banks to achieve their goals | 4.07 | 0.93 |
| Strategic response has enabled banks to increase their profits | 4.30 | 0.70 |
| Aggregate Score | 4.31 | 0.69 |

Source: Survey Data (2021)

The respondents agreed that strategic responses affect commercial bank performance in Garissa County, with an aggregate of 4.31 and 0.69 as the standard deviation. This means that the banks were able to keep pace with or outperform other financial institutions within the County. This is in line with Abishua's (2015) study, which looked at how equity banks utilized strategic responses to compete in the Kenyan banking industry and established Equity Bank was flexible due to the adoption of effective response strategy to take advantage of any developing gaps in the banking sector. Furthermore, according to Ketchen and Palmer (2017), businesses are essentially open systems with constant interaction and external environment interfaces. As a result, strategic responses are the company plans that are often driven by constant changes.

The statements that the respondents strongly agreed were; strategic response has enabled banks to increase their market share (M=4.42, SD=0.58), strategic response assisted banks in increasing profits (M=4.30, SD=0.70) and strategic response enabled banks to achieve their goals (M=4.07, SD=0.93). The finding shows that the banks had increased their customer base through gaining access to new markets. This is also consistent with Burke and Litwin (2012), who guarantee that hierarchical exhibition favors a cycle approach in which the attention is on the interior interaction of evaluating the adequacy and productivity of activity utilizing a bunch of measures. Key separation and vital partnerships were discovered to be genuinely huge in Muchiri, Ombui, and Iravo's (2017) exploration of the effect of vital reactions on the exhibition of Kenyan oil promoting ventures.

4.4.6 Correlation Analysis

Correlation analysis was carried out to quantify the association between the independent and dependent variables.

Table 4.9: Correlation Analysis

| | Product design | Strategic planning | Process design | Employee empowerment | Organizational performance |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------------|
| Product design | 1 79 | | | | |
| Strategic planning | .109 .341 79 | 1 79 | | | |
| Process design | .080 .485 79 | .711** .000 79 | 1 79 | | |
| Employee empowerment | .223* .048 79 | .492** .000 79 | .303** .007 79 | | |
| Organizational performance | .341** .002 79 | .553** .000 79 | .406** .000 79 | .436** .000 79 | 1 79 |

Source: Survey Data (2021)

Product design had a weak relationship with the organizational performance with a Pearson's r value of 0.341. This is in contrast to Nwokah, Ugoji, and Ofoegbu's (2019) study, which looked at how product creation affects an organization's success and found no significant link amongst the size of the product, design, profitability, volume of sales, and loyalty among clients.

The connection between strategic planning and performance variables has a Pearson's r of 0.553 and vice versa has a Pearson's r of 0.00, which is less than 0.05. This demonstrates a strong link,

implying that strategic planning is closely linked to organizational performance. Business plans in response to changing business environments, according to Ngaira (2018), ought to include administrators in the making of such methodologies and permit them enough dynamic expert in their execution.

Process design had a weak relationship with the organizational performance with a Pearson's r value of 0.406 with a significance value of 0.00. Skrinjar, Indihar-Stemberger, and Hernaus (2017) looked at how business measure direction impacts authoritative execution and found that it prompts more prominent non-monetary execution and, in a roundabout way, better monetary execution.

Employee empowerment was also found to have a lower extent on influence on performance of the organization by Pearson's r value of 0.436 and 0.00 value of significance. This is in disagreement with the findings of Ndengwa's (2015) study, which investigated the seen connection between worker strengthening and authoritative execution among business banks in Kenya and found that representative strengthening affects hierarchical execution.

4.4.7 Regression Analysis

The influence of one variable on the other was determined using regression analysis. Table 4.10 summarizes the findings.

Table 4.10: Model Summary

| Model | R | R ² | Adjusted R ² | Estimation of Std. Error | Statistical change | | | | |
|-------|-------------------|----------------|-------------------------|--------------------------|--------------------------|----------|-----|-----|--------------------|
| | | | | | Change in R ² | F Change | df1 | df2 | Significance value |
| 1 | .636 ^a | .805 | .772 | .454 | .405 | 12.572 | 4 | 74 | .000 |

Source: Survey Data (2021)

Table 4.10 shows that the coefficient of correlation was 0.805, indicating that the independent variables (product design, strategic planning, process design, and employee empowerment) have a strong link with organizational performance. Table 4.10 further revealed that the adjusted R² was 0.772. This means that 77.2 percent of all differences in commercial bank performance in Garissa County can be described by product design, strategic planning, process design, and staff empowerment, with the remaining 22.8 percent described by factors not included in the model.

The results of analysis of variance are demonstrated in Table 4.11.

Table 4.11: Analysis of Variance

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|--------|-------------------|
| 1 | Regression | 10.387 | 4 | 2.597 | 12.572 | .000 ^a |
| | Residual | 15.284 | 74 | .207 | | |
| | Total | 25.671 | 78 | | | |

Source: Survey Data (2021)

As shown in Table 4.11 significance value is at 0.000 which is below 0.05. The results further indicate that the value of F was at 12.572 which was more than the value of mean square at 2.597.

This implied that the model was significant in determining the performance of commercial banks.

Table 4.12: Coefficients

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|----------------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 0.539 | .490 | | 6.610 | .000 |
| Product design | 0.729 | .046 | 0.066 | 2.781 | .001 |
| Strategic planning | 0.692 | .098 | 0.118 | 2.980 | .001 |
| Process design | 0.539 | .125 | 0.145 | 3.313 | .000 |
| Employee empowerment | 0.712 | .073 | 0.093 | 1.532 | .001 |

Source: Survey Data (2021)

The results as demonstrated in Table 4.12 is that 0.539 as the value of constant represents the value at which organizational performance changes when product design, strategic planning, process design and employee empowerment are kept at constant.

$$Y = 0.539 + 0.729X_1 + 0.692X_2 + 0.539X_3 + 0.712X_4 + \varepsilon$$

Y = Organizational Performance

X₁ = Product design

X₂ = Strategic planning

X₃ = Process design

X₄ = Employee empowerment

The effect of one variable to the other is described as follows:

The study found that a 0.729 represented the amount by which organizational performance changes when product design is changed by one unit keeping strategic planning, process design and employee empowerment constant. The t-value (t= 2.781, p 0.05) indicates a significant influence between product design and performance. This is in line with a study conducted by Mbithi *et al.* (2015), which looked into how product design affects performance of Kenyan sugar sector and

found a strong link between product design strategy and all areas of performance. Product design, according to Dirisu, Iyiola, and Ibidunni (2016), is a vital aspect in enhancing organization since it describes the quality, functionality, and efficiency of the service or product that customers require.

From the results in 4.12, the amount of 0.692 represented organizational performance changes when strategic planning is changed by one unit keeping product design, process design and employee empowerment constant. The t-value ($t= 2.980$, $p 0.05$) show a significant effect between strategic planning and performance. This is in accordance with Agwata and Kariuki's (2018) study, which assessed how strategic planning affected on the Kenyan judiciary's organizational performance and discovered a positive and significant link between strategic planning and organizational performance. Strategic planning, according to Glen and Weerawardena (2017), improves an organization's efficiency by reducing procedures, enhancing time management, and effectively optimizing capital.

From the results in 4.12, a 0.539 represented the amount by which organizational performance changes when process design is changed by one unit keeping product design, strategic planning and employee empowerment constant. The t-value ($t= 3.313$, $p 0.05$) show a significant effect on process design and performance. This is in concurrence with Skrinjar, Indihar-Stemberger, and Hernaus (2017) concentrate on what business measure direction means for hierarchical execution, discovered that business interaction direction prompts more noteworthy non-monetary execution and, by implication, better monetary execution. According to Kohlbacher and Reijers (2017), as corporate processes conform to customer expectations, process orientation encourages customer orientation, resulting in increased customer satisfaction..

From the results in 4.12, a 0.712 represented the amount by which organizational performance changes when employee empowerment is changed by one unit keeping product design, strategic planning and employee empowerment constant. The t-value ($t= 1.532$, $p 0.05$) show a significant effect between employee empowerment and performance. This is reinforced by a study by Nadeem, Zia-uD-clamor, Riaz, Shafique, and Sattar (2018), which took a gander at what representative strengthening means for authoritative execution and tracked down a huge effect. Worker strengthening, according to Zeffane and Al Zarooni (2017), is a significant variable for developing trustful relationships in businesses and a key factor in producing lasting change, which has a beneficial effect on organizational performance.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter gives findings in summary, conclusion, recommendation and recommendation for further studies.

5.2 Summary

The study mainly aimed at investigating the effect of strategic responses on performance of commercial banks in Garissa County, Kenya. Specifically, the study determined the effect of product design, strategic planning, process design and employee empowerment on the performance. The key findings are summarized as follows:

The study examined the effect of product design on performance of commercial banks in Garissa County, Kenya. The t-value ($t= 2.781$, $p 0.05$) indicates a significant influence between product design and performance. The banks offer product that have multiple transactions hence improve their market share ($M=4.55$, $SD=0.45$). This is an indicator that banks improved their performance due to having a product that was used adopted by a large number of clients hence increasing their customer base.

The study explored how strategic planning affects performance of commercial banks in Garissa County, Kenya. The t-value ($t= 2.980$, $p 0.05$) show a significant effect between strategic planning and performance. The statements that the bank sets objectives that provide clarity in decision making ($M=4.84$, $SD=0.749$) and that strategic planning establishes the necessary foundation and boundaries for resource allocation and efficient decision-making ($M=4.50$, $SD=0.790$) were strongly agreed upon by the respondents. The findings show that the banks were able to cope up with the changes both from within and outside their operations.

The study examined how process design affects commercial banks performance in Garissa County, Kenya. The t-value ($t= 3.313$, $p 0.05$) show a significant effect on process design and performance. Process design allows the banks to identify changes and communicate them to employees ($M=4.75$, $SD=0.25$) and that process design improves interrelation between employees within the bank ($M=4.75$, $SD=0.25$). The banks' process reform allows for the creation of a new, better process. It is an essential component of every new system deployment and serves as the foundation for establishing a successful financial organization.

The study determined how employee empowerment affects performance of commercial banks in Garissa County, Kenya. The t-value ($t= 1.532$, $p 0.05$) show a significant effect between employee empowerment and performance. Assigning responsibility to employees makes them feel motivated to learn new skills ($M=4.63$, $SD=0.57$) and that giving employees autonomy makes them have a greater sense of team and organizational culture ($M=4.52$, $SD=0.48$). This showed that through empowerment the banks were able to motivate its employees who became more engaged their work.

5.3 Conclusion of the Study

It was concluded that the banks have a very effective product design implementation that has enhanced their performance by attracting more consumers, providing ease, and making services available to their customers. Banks enhanced their performance as a result of having a product that was widely embraced, resulting in an increase in their customer base. Customers' complaints are minimized, and time to market is shortened.

It was concluded they were able to be proactive through strategic planning, increasing operational efficiency and increasing market share and profits. Banks were able to adapt to changes both inside

and outside of their operations. The banks were able to streamline their processes, and their personnel maintained a sense of purpose by staying focused on specific goals.

The study concluded that the banks had a good communication system in place, and their activities were in line with their plan. The reform of the banks' processes allows for the construction of a new, more efficient method. It is an important part of any new system deployment, and it's the cornerstone for building a successful financial organization. Thanks to process design, banks were able to accomplish effective process automation, minimize administrative costs, and find the best fit between tasks and resources.

The study concluded that banks were able to persuade their staff to become more interested in their work by empowering them. By empowering their staff, banks were able to earn more trust from them. Bank managers are freed to focus on strategy and the big picture when employees are more involved in strategy implementation. Employees may become concerned if they are educated for a longer period of time, and their job performance may decrease as a result of their stress. As a result, banks may commit significantly less time to educating workers, which may not benefit them in terms of becoming more productive or knowledgeable.

5.4 Recommendation for Policy and Practice

Based on the study findings, this study recommends that commercial banks should develop a solid awareness of their opportunities by examining the entire market based on their customers in order to evaluate the true potential. Banks should have a set of thorough criteria to use when evaluating new product and service concepts. Establish the characteristics that an idea must possess in order to remain on the list. Obtain customer feedback when designing products or services in order to

create an compelling client focused item and dispatch an effective item that will permit them to develop deals, advance market position, and increment client faithfulness.

The research recommends that commercial banks should have a methodology in place and use it regularly and consistently. Evaluate their strategy options against their preset bank priorities like customer demands, potential market size and fit with their current product range may be crucial factors to consider when evaluating obstacles and opportunities. Engage with stakeholders throughout the development process to ensure that the final strategy is well-received. Ensure that all of the results are disseminated clearly within the bank. Measure and report on the plan's progress regularly.

Commercial banks in Garissa County should use their current workflow through getting the right employee with the right abilities in the perfect spot at the perfect time, map out and evaluate their processes and improve on technology. When building a new branch or department, the study also recommended that the management of commercial banks in Garissa County have a systematic grasp of what process design is, what its aims are, and how it may assist the bank improve its performance.

Commercial banks in Garissa County ought delegate work and responsibility for them to take ownership of their work. Set clear boundaries and expectations to help reinforce their standard of quality. Ensure employees have proper resources and encourage open communication and let the employees participate in the process of making decisions. Commercial banks' employees should be encouraged to submit honest feedback on a regular basis and to actively adapt to changes that meet their needs. This also empowers employees by giving them a meaningful say in how the organization operates. Encourage professional development by establishing a clear path for progression within the company's human resources department.

5.5 Suggestions for Further Study

The current study focused on how strategic responses affect performance of commercial banks in Garissa County, Kenya. Strategic responses used were product design, strategic planning, process design and employee empowerment. As a result, the study suggests that additional research be done concentrating on different measures of strategic responses towards improving the performance of banks. Different studies that focus on the performance of banks in different counties can be conducted also.

REFERENCES

- Abishua, D. A. (2015). *Strategic Responses Used By Equity Bank to Compete In the Kenyan Banking Industry* (Master's Project, University of Nairobi)
- Adegbe, F. F., & Fakile, S. A. (2017). Strategic Planning and Performance: Catalyst for Sustainability and Stability in the Nigerian Financial Sector. *European Scientific Journal*, 9(25), 512 – 523
- Agwata, J. K., & Kariuki, P. (2018). The effect of strategic planning dimensions on organizational performance of the Kenyan Judiciary. *The Strategic Journal of Business & Change Management*, 5(4), 776 – 795
- Ahmed, A., & bin Lebai Othman, I. (2017). The impact of strategic response on organizational Performance in Pakistan Banking Sector: A Review and Suggestions for Future Research. *International Journal of Academic Research in Business and Social Sciences*, 7(8), 2222-6990.
- Akinyele, S. T., & Fasogbon, O. I. (2016). Impact of strategic planning on organizational performance and survival. *Research Journal of Business Management*, 4(1), 73-82.
- Anderson, N., Potocnik, K., & Zhou, J. (2014). Innovation and creativity in organizations: A state-of-the-science review, prospective commentary, and guiding framework. *Journal of Management*, 40(5), 1297-1333.
- Ansoff, H. I. (1965). *Corporate strategy: business policy for growth and expansion*. McGraw-Hill
- Ansoff, H. I., & McDonnell, E. J. (2000). *Implanting Strategic Management* (2nd ed) London: Prentice-Hall
- Aragon-Correa, J. A. (2017). Strategic proactivity and firm approach to the natural environment. *Academy of Management Journal*, 40(2), 556 - 567.
- Arasa, R., & Obonyo, P. K. (2012). The relationship between strategic planning and firm performance. *International Journal of Humanities and Social Science*, 2(22), 201 – 2013
- Burke, W. W., & Litwin, G. H. (2012). A causal model of organizational performance and change. *Journal of management*, 18(3), 523-545
- Derek, B. (2016). *The Changing Environment of Business*, 2nd Edition: Boston; Kent Publishing Company.
- Dirisu, J. I., Iyiola, O., & Ibidunni, O. S. (2016). Product differentiation: A tool of competitive advantage and optimal organizational performance (A study of Unilever Nigeria PLC). *European Scientific Journal*, 9(34), 47 – 55
- Dulock, H. L. (2014). Research design: Descriptive research. *Journal of Pediatric Oncology Nursing*, 10(4), 154-157.

- Elliott, W. B., Huffman, S. P., & Makar, S. D. (2015). Foreign-denominated debt and foreign currency derivatives: complements or substitutes in hedging foreign currency risk? *Journal of Multinational Financial Management*, 13(2), 123-139
- Fakile, O. G. (2017). Effectiveness of audit committee and financial performance of deposit money banks in Nigeria. *Fountain University Osogbo Journal of Management*, 3(3), 56 – 69
- Fong, S. F., Lo, M. C., & Ramayah, T. (2014). New product design and performance in the banking industry. *Asia-Pacific Journal of Management Research and Innovation*, 10(4), 305-321.
- Fong, S. F., Lo, M. C., & Ramayah, T. (2017). New product development and performance in the banking industry. *Asia-Pacific Journal of Management Research and Innovation*, 10(4), 305-321.
- George, B., Walker, R. M., & Monster, J. (2019). Does strategic planning improve organizational performance? A meta-analysis. *Public Administration Review*, 79(6), 810-819
- Glen, W., & Weerawardena, J. (2017). Strategic planning practices in small enterprises in Queensland. *Small Enterprise Research*, 4(3), 5-16
- Gorospe, K. D., Donahue, M. J., & Karl, S. A. (2015). The importance of sampling design: spatial patterns and clonality in estimating the genetic diversity of coral reefs. *Marine Biology*, 162(5), 917-928.
- Hair, J. F. (2015). *Essentials of business research methods*. ME Sharpe
- Innocent, I. E., & Levi, N. N. (2017). Effects of Strategic Planning on Organizational Performance (A Study of Nigerian Bottling Company, Enugu). *International Journal of Economics and Business Management*, 3(9), 1-12.
- Ittner, C. D., & Larcker, D. F. (2015). Product development cycle time and organizational performance. *Journal of Marketing Research*, 34(1), 13-23.
- Jayawarna, S., & Dissanayake, R. (2019). Strategic Planning and Organization Performance: A Review on Conceptual and Practice Perspectives. *Archives of Business Research*, 7(6), 155-163.
- Kareem, Y. (2017). *The Changing Organization Behaviour Patterns*; Boston: Harvard University Press
- Kashangaki, J., Hulme, D., & Mugwanga, H. (2012). *Dropouts amongst Kenyan Microfinance Institutions*. MicroSave-Africa Research Report.
- Kealy, M. J., & Turner, R. W. (2013). A Test of the Equality of Closed-Ended and Open-Ended Contingent Valuations. *American Journal of Agricultural Economics*, 75(2), 321-331
- Ketchen, D., & Palmer, T. (2013). Strategic responses to poor organizational performance: a test of competing perspectives. *Psychology Management*, 4(1), 185 – 196

- Kihara, A. S. N. (2017). *Influence of strategic contingency factors on performance of large Manufacturing Firms in Kenya* (Doctoral dissertation, COHRED, JKUAT).
- Kimamancha, K. K. (2017). *Factors That Influence Product Design in Commercial Banks in Kenya* (Doctoral dissertation, United States International University-Africa)
- Kirubi, P. W. (2014). *Employee Empowerment Practices And Performance Of Commercial Banks In Kenya* (Doctoral dissertation, University of Nairobi).
- Kohlbacher, M., & Reijers, H. A. (2013). The effects of process-oriented organizational design on firm performance. *Business Process Management Journal*, 19(2), 245-262.
- Kohlbacher, M., & Reijers, H. A. (2017). The effects of process-oriented organizational design on firm performance. *Business Process Management Journal*, 1(9), 245 – 262
- Koriyow, O. I., & Karugu, L. (2018). Competitive intelligence strategies and performance of commercial banks in Garrisa County, Kenya. *International Academic Journal of Human Resource and Business Administration*, 3(1), 371-394.
- Kruger, C. J., & Johnson, R. D. (2011). Is there a correlation between knowledge management maturity and organizational performance?. *Vine*, 41(3), 265-295
- Lee, R. P., & Grewal, R. (2014). Strategic responses to new technologies and their impact on firm performance. *Journal of Marketing*, 68(4), 157-171.
- Lengwa, S. J. (2014). *Strategic responses by commercial banks to competition in provision of retail banking services in Kenya* (Doctoral dissertation, University of Nairobi).
- Leonard, D. (2016). Core Capabilities and Core Rigidities: A Paradox in Managing New Product Development. *Strategic Management Journal*, 13 (S1), 111-125.
- Leyer, M., Stumpf-Wollersheim, J., & Pisani, F. (2017). The influence of process-oriented organisational design on operational performance and innovation: a quantitative analysis in the financial services industry. *International Journal of Production Research*, 55(18), 5259 - 5270.
- Lilian, O. O., Uzochukwu, O. C., & Francisca, O. N. (2015). Business process design and organizational performance of selected automobile firms in Southeast of Nigeria. *European Journal of Business, Economics and Accountancy*, 3(3), 12 - 43.
- Liu, C. M., Lin, K. W., & Huang, C. J. (2014). Effects of product design on operating performance in textile industry. *The Anthropologist*, 17(1), 157-163.
- Liu, C. M., Lin, K. W., & Huang, C. J. (2017). Effects of product design on organizational performance in textile industry. *The Anthropologist*, 17(1), 157-163.
- Maina, M. W. (2016). *Influence of employee empowerment on organizational commitment in Kenya Civil Service* (Doctoral dissertation, JKUAT COHRED).
- Markiewicz, P. (2015). Change Management in the Strategy Implementation Process. *Intellectual Economics*, 5(2), 257 – 267

- Mbithi, B., Muturi, W., & Rambo, C. (2015). Effect of Product Design Strategy on Performance in Sugar Industry in Kenya. *International Journal of Academic Research in Business and Social Sciences*, 5(12), 311 - 325.
- Mintzberg, H. (2013). The organization as political arena. *Journal of Management Studies*, 22(2), 133 – 154
- Morse, J. M., Barrett, M., Mayan, M., Olson, K., & Spiers, J. (2012). Verification strategies for establishing reliability and validity in qualitative research. *International journal of qualitative methods*, 1(2), 13 - 22
- Mugenda, O. M. & Mugenda, A. G. (2003). *Research Methods: Quantitative and Qualitative approach*, Nairobi: Act press
- Mukwakungu, S. C., Mankazana, S., & Mbohwa, C. (2018). The impact of employee empowerment on organizational performance in a flavors and fragrance manufacturing company in South Africa. In *Conference: GBATA's 20th Anniversary Annual International Conference at: Bangkok, Thailand*.
- Nadeem, M. T., Zia-uD-din, M., Riaz, W., Shafique, M. Z., & Sattar, A. (2018). The effects of employees empowerment on organizational performance: a case of hotel industry in Pakistan. *International Journal of African and Asian Studies*, 47, 89-94.
- Ndengwa, T. (2015). *Perceived relationship between employee empowerment and organizational performance among commercial* (Doctoral dissertation, University Of Nairobi).
- Ngaira, H. A. (2018). *Strategic Responses by the Kenyan Commercial Banks to the External Environmental Turbulence: A Case of Sidian Bank Kenya Limited* (Doctoral dissertation, United States International University-Africa).
- Nwokah, N. G., Ugoji, E. I., & Ofoegbu, J. N. (2015). Product development and organizational performance. *African Journal of Marketing Management*, 1(3), 089 - 101.
- Nwokah, N. G., Ugoji, E. I., & Ofoegbu, J. N. (2019). Product development and organizational performance. *African Journal of Marketing Management*, 1(3), 089-101.
- Nyanaro, N. N. & Bett, S. (2018). Influence of strategic planning on performance of commercial banks in Kenya: Case of Barclays Bank of Kenya. *International Academic Journal of Human Resource and Business Administration*, 3(2), 235 – 255
- Nzewi, H. N., & Ojiagu, N. C. (2015). Strategic planning and performance of commercial banks in Nigeria. *International Journal Of Scientific & Technology Research*, 5(3), 29 - 42.
- Nzuve, S. N., & Bakari, T. H. (2012). The relationship between empowerment and performance in the city council of Nairobi. *Problems of Management in the 21st Century*, 5(2012), 83-98.

- Onjure, C. O. Wanyoike, D. M., & Mungatu, J. (2018). Influence of product process on Electronic Commerce Strategy as Adopted by Commercial Banks in Kenya. *International Journal of Innovative Research & Development*, 7(1), 180 – 198
- Orodho, A. J. (2005). *Essentials of Educational and Social Science Research methods: Qualitative and Quantitative Approaches*. Nairobi: Acts Press
- Pearce, J. A. & Robinson, R. B. (2012). *Strategic Management: Strategy Formulation and Implementation*. Third Edition, Richard D. Irwin Inc
- Quinn, R. E., & Gretchen, M. S. (2015). The road to empowerment: Seven questions every leader should consider. *Organizational Dynamics*, 26(2), 37 - 49.
- Ranjit, K. (2015). *Research methodology- A step-by-step guide for beginners(2nd ed.)*.Singapore, Pearson Education
- Roper, S., Micheli, P., Love, J. H., & Vahter, P. (2016). The roles and effectiveness of design in new product development: A study of Irish manufacturers. *Research Policy*, 45(1), 319-329.
- Ross, S. (2016). Contrasting strategic response to economic recession in start-up versus established software firms. *Journal of Small Business Management*, 47(2), 180-201.
- Scholes, K., Johnson, G., & Whittington, R. (2016). *Exploring corporate strategy*. Financial Times Prentice Hall.
- Sila, I., & Ebrahimpour, M. (2015). Critical Linkages among TQM Factors and Business Results. *International Journal of Operations and Production Management*, 25(11), 1123- 1135
- Sitanda, K. E. (2013). *Response Strategies Adopted By Agrochemical Companies to the Challenges of Agrochemical Distribution in Kenya*. (Unpublished MBA Project, University of Nairobi
- Skrinjar, R., Indihar-Stemberger, M., & Hernaus, T. (2017). The impact of business process orientation on organizational performance. In Proceedings of the 2007 Informing Science and IT Education Joint Conference.
- Tarigan, Z. J. H. (2018). *The Impact of Organization Commitment to Process and Product Innovation in Improving Operational Performance* (Doctoral dissertation, Petra Christian University)
- Tebrani, M. (2016). Competitive strategies, strategic alliances, and performance in international high tech industries, a cross-cultural study. *Journal of American Academy of Business*, 2 (2), 610-617
- Venkatraman, N., & Ramanujam, V. (2010). Measurement of business performance in strategy research: A comparison of approaches. *Academy of management review*, 11(4), 801-814
- Vera, A., & Kuntz, L. (2015). Process-based organization design and hospital efficiency. *Health care management review*, 32(1), 55-65.

- Waddock, S. A., & Isabella, L. A. (2014). Strategy, beliefs about the environment, and performance in a banking simulation. *Journal of Management*, 15, 617–632
- Zeffane, R., & Al Zarooni, H. A. M. (2017). Empowerment, trust and commitment: The moderating role of work-unit centrality. *International Journal of Management*, 29(1), 332 – 339

APPENDICES

Appendix I: Letter of Transmittal

Dear Respondent

Re: Collection of Research Data

It is a great honour to have you a part of the persons assisting in obtaining data for my academic study concerning '*strategic responses and performance of commercial banks in Garissa County, Kenya*'. The purpose of this data collection process is to identify how the banks has been performance after adopting the strategic responses and the way performance can be improved.

You are kindly requested to honestly respond to the questions as provided in the attached questionnaire. Please remember that this process is purely meant for academic purpose and you will be victimized from any information you shall give.

Yours Faithfully

Abdirahman Mohamed Roble

Appendix II: Questionnaire

Section A: Personal Data

1. Gender: Male Female

2. Your age in years?
 > 30 30-39
 40-49 50 and more

3. Your education?
 Diploma Post Graduate Diploma
 Graduate Postgraduate

4. Job experience in years?:
 > 5 5-9
 10-15 more than 15

Section B: Strategic Response

The list of statement as presented in the table relates to influence of product design, strategic planning, process design and employee empowerment on performance of organization.

*Please indicate how much you agree or disagree with each of the following items by clicking the appropriate box.. **Key:** 1-Not at all, 2- Strongly disagree, 3-Disagree, 4-Agree, 5-Strongly agree*

| | Product design | 1 | 2 | 3 | 4 | 5 |
|---|---|----------|----------|----------|----------|----------|
| 1 | Banks offers unique products to its customers | | | | | |
| 2 | The banks offers products that are accessible all the time | | | | | |
| 3 | The services offered by the bank are available when the customers desire them | | | | | |
| 4 | The bank offer products that can be differentiated from others | | | | | |

| | | | | | | |
|---|---|----------|----------|----------|----------|----------|
| 5 | The banks offer product that have multiple transactions hence improve their market share | | | | | |
| | Strategic planning | 1 | 2 | 3 | 4 | 5 |
| 1 | The bank establishes goals that allow it to achieve its objective | | | | | |
| 2 | The bank sets objectives that give clearer focus on what is important | | | | | |
| 3 | Budgetary allocation enables the bank to take advantage of buying and investing opportunities, and planning on how to lower its debt hence increasing its profitability | | | | | |
| 4 | Strategic planning lays the groundwork and establishes the parameters for resource allocation and effective decision-making. | | | | | |
| 5 | Managers and supervisors can use performance reviews to discuss and explore any prospects for promotion or succession for high-performing staff. | | | | | |
| | Process design | 1 | 2 | 3 | 4 | 5 |
| 1 | Process design improves interrelation between staff within the bank | | | | | |
| 2 | Integration optimize business processes | | | | | |
| 3 | Process design allows optimization of resource usage | | | | | |
| 4 | Process design allows the organization to identify changes and communicate them to employees | | | | | |
| 5 | Modern equipment enables the bank meet changing business needs | | | | | |
| | Employee empowerment | 1 | 2 | 3 | 4 | 5 |
| 1 | Giving employees autonomy makes them have a greater sense of team and organizational culture | | | | | |
| 2 | Assigning responsibility to employees makes them feel motivated to learn new skills. | | | | | |
| 3 | Employee empowerment that is positive gives workers a sense of ownership over their work. | | | | | |

| | | | | | | |
|---|--|----------|----------|----------|----------|----------|
| 4 | Training leads to increased job satisfaction and morale among employees. | | | | | |
| 5 | Employee empowerment boosts employee morale | | | | | |
| | Organizational Performance | 1 | 2 | 3 | 4 | 5 |
| 1 | Strategic response has enabled banks to increase their market share | | | | | |
| 2 | Strategic response has enabled banks to achieve their goals | | | | | |
| 3 | Strategic response has enabled banks to increase their profits | | | | | |

Appendix III: Approval Letter



KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke

Website: www.ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 810901 Ext. 4150

Internal Memo

FROM: Dean, Graduate School

DATE: 9th April, 2021

TO: Abdirahman Mohammed Roble
C/o Business Administration Dept.

REF: D53/GAR/OL/32877/2016

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL

This is to inform you that Graduate School Board at its meeting of 31st March, 2021 approved your Research Project Proposal for the MBA Degree Entitled, "Strategic Responses and Performance of Commercial Banks in Garissa County, Kenya".

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking and Progress Report Forms per semester. The forms are available at the University's Website under Graduate School webpage downloads.

Thank you.

ELIJAH MUTUA
FOR: DEAN, GRADUATE SCHOOL

c.c. Chairman, Business Administration Department.

Supervisor:

1. Dr. Jane Wanjira
C/o Department of Business Administration
Kenyatta University



EM/enj



**KENYATTA UNIVERSITY
GRADUATE SCHOOL**

E-mail: dean-graduate@ku.ac.ke

Website: www.ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 8710901 Ext. 57530

Our Ref: D53/GAR/OL/32877/2016

DATE: 9th April, 2021

Director General,
National Commission for Science, Technology
and Innovation
P.O. Box 30623-00100
NAIROBI

Dear Sir/Madam,

SUBJECT: RESEARCH AUTHORIZATION FOR ABDIRAHMAN MOHAMMED ROBLE- REG. NO. D53/GAR/ OL/32877/2016

I write to introduce Mr Abdirahman Mohammed Roble who is a Postgraduate Student of this University. He is registered for MBA degree programme in the Department of Business Administration.

Mr. Roble intends to conduct research for a MBA Project Proposal entitled, "Strategic Responses and Performance of Commercial Banks in Garissa County, Kenya".

Any assistance given will be highly appreciated.

Yours faithfully,

**PROF. ELISHIBA KIMANI
DEAN, GRADUATE SCHOOL**



EK/enj

Appendix IV: Research Permit


REPUBLIC OF KENYA


**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION**

Ref No: **315774** Date of Issue: **22/April/2021**

RESEARCH LICENSE



This is to Certify that Mr.. Abdirahman Mohamed Roble of Kenyatta University, has been licensed to conduct research in Garissa on the topic: Strategic Responses and Performance of Commercial Banks in Garissa County for the period ending : 22/April/2022.

License No: **NACOSTI/P/21/10065**

315774
Applicant Identification Number


Director General
**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY &
INNOVATION**

Verification QR Code



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

The Grant of Research Licenses is Guided by the Science, Technology and Innovation (Research Licensing) Regulations, 2014

CONDITIONS

1. The License is valid for the proposed research, location and specified period
2. The License any rights thereunder are non-transferable
3. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research
4. Excavation, filming and collection of specimens are subject to further necessary clearance from relevant Government Agencies
5. The License does not give authority to transfer research materials
6. NACOSTI may monitor and evaluate the licensed research project
7. The Licensee shall submit one hard copy and upload a soft copy of their final report (thesis) within one year of completion of the research
8. NACOSTI reserves the right to modify the conditions of the License including cancellation without prior notice

National Commission for Science, Technology and Innovation
off Waiyaki Way, Upper Kabete,
P. O. Box 30623, 00100 Nairobi, KENYA
Land line: 020 4007000, 020 2241349, 020 3310571, 020 8001077
Mobile: 0713 788 787 / 0735 404 245
E-mail: dg@nacosti.go.ke / registry@nacosti.go.ke
Website: www.nacosti.go.ke