VALUE DISCIPLINES AND COMPETITIVE ADVANTAGE OF COMMERCIAL BANKS IN KENYA

HEZRON JUMA ODHIAMBO

D53/OL/KSU/27342/2018

A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS, ECONOMIC AND TOURISM IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (STRATEGIC MANAGEMENT OPTION) OF KENYATTA UNIVERSITY

JULY, 2023

DECLARATION

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

Signature ………………………… Date …………………………

HEZRON JUMA ODHIAMBO

D53/OL/KSU/27342/2018

This research project has been submitted for examination with my approval as the university supervisor.

Signature ………………………… Date …………………………

DR. ABEL ANYIENI

DEPARTMENT OF BUSINESS ADMINISTRATION,

SCHOOL OF BUSINESS, ECONOMICS & TOURISM,

KENYATTA UNIVERSITY

ACKNOWLEDGMENTS

I am highly indebted to my supervisor. Dr. Abel Anyieni for his valued guidance and wells of knowledge in developing this study proposal. He has been playing a pivotal role in providing guidance towards my project which is highly appreciated. I wish also to extend my appreciation to Ms. Margaret C'okumu the coordinator Kenyatta University Kisumu campus for her academic contribution and support in my coursework and project process. I also acknowledge the professional advice of my mentor Allan Jumba which has significantly impacted on the success of this research project. I would also like to acknowledge the support of my family members, my beloved wife Goretty, sons Allan Promise and Isaac Newton for their psychological assistance and motivation throughout my studies. To my MBA comrades at Kenyatta University, you have been a pillar in material and information support. Above everything else, I appreciate the Almighty God for providing endurance, resilience and encouragement during my learning process. To God be the Glory.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ACRONYMS / ABBREVIATIONS

ANOVA	Analysis of Variance
CBK	Central Bank of Kenya
DCs	Dynamic Capabilities
KMO	Kaiser Meyer Olkin
MRPs	Money Remittance Providers
ROI	Return on Investment
SPSS	Statistical Package for Social Sciences
TAM	Technology Acceptance Model
VIF	Variance Inflation Factor

OPERATIONAL DEFINITION OF TERMS

Competitive advantage – in this study is the advantage a company/firm possesses that ensures it meets the needs of its customers better or more cheaply than its competitors, thus creating and sustaining superior performance.

Customer churn in this study relates to how soon a new client uses the product before canceling their membership or stopping purchasing your stuff. Although they adore the item, the question is whether they will continue to gain from the product in the long run.

Customer Intimacy in this study prioritizes acquiring essential client information to build long-term customer connections towards boosting customer loyalty.

Operational Excellence in this study is closest to resources immediately involved in commercial activities, yet it is crucial to the firm's strategic and tactical level.

Product leadership in this study refers to delivering clients best-in- class items that constantly increase the consumers' usage. If the marketing director is successful, the product will be successful as well.

Value Discipline - A value discipline is a tactical focal assertion that serves as a framework for a firm to establish its organizational goals and purpose, attract its most lucrative consumers, and emphasis and coordinate its actions.

ABSTRACT

Due to increased competition, the Kenyan banking system has had erratic performance in recent years. As a result, the major question is whether Kenyan commercial banks can use value disciplines to help them maintain their competitiveness. The study aimed to investigate the function of value discipline in competitive advantage: a taxonomy of Kenyan commercial banks. The specific objectives were to: determine the effect operational excellence on competitiveness of Kenyan commercial banks/lenders; assess the relationship between customer intimacy and competitiveness of Kenyan commercial banks/lenders and: investigate the effect product leadership on competitiveness of Kenyan commercial banks/lenders. Theoretically, the porters' five forces theory, competitive advantage theory, theory of planned behaviour and dynamic capability theory grounded the study. The research used a descriptive research design. The study comprised of businesses rendering commercial banking services in Kenya. A non-probability method of sampling was utilized. Structured questionnaires were used as applicable. The study targeted all the 42 Kenyan commercial banks/lenders. The 42 commercial bank managers were targeted as the unit of observation and the 42 commercial banks as the unit of analysis. Since the population in the current study was small but adequate for study research, that is, 42, the study used a census survey (thus no sampling was done) and thus the targeted population were still the commercial banks. Pilot research was conducted to establish reliability and validity. This included four participants, reflecting 10 percent of the sample population (0.1*42). Questionnaires were the instruments of data collection. The replies were transcribed and qualitative methodology was employed. The SPSS application was used to help with this analysis (v.25.0). Descriptive analytics gathered summary data such as averages, and frequencies, whereas inferential metrics aided in determining the causative link between parameters. The study used the R2s, F values, and beta coefficients at 0.05 significance thresholds. Charts, graphs, tables, diagrams, and illustrations were used to present the findings. The findings indicated that operational excellence has a directional/positive and statistically significant connection with competitive advantage of Kenyan commercial banks/lenders (β=0.342, p=0.000). It was also confirmed that customer intimacy has a directional/positive and statistically significant connection with competitive advantage of Kenyan commercial banks/lenders (β=0.247, p=0.000). Likewise, product leadership has a directional/positive and statistically significant connection with competitive advantage of Kenyan commercial banks/lenders (β=0.359, p=0.000). It has been recommended that having a high level of consumer awareness might lead to increased client satisfaction, which leads to increased buy back desire. The also recommends continuous and persistent innovation of products to help in the advancement and maintaining a competitive edge in the industry. Having superior products imply that the banks are able to maintain and attract a specific group of customers whom to the banks, ensure consistent sales and returns. The study also suggests to the operations management to continuously improve the financial institution delivery of services, consumer experience, purchase price and effectiveness, a considerable increase in income and profitability, and gives banks competitiveness. Sustainable distribution chain effectiveness is affected by learning and innovation efficiency, and supply chain intellectual capital plays an essential moderating function.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The competitive landscape in the present market is always evolving as more rivals provide comparable products and services to clients. To compete with other firms and dominate the market, a company must adopt and manage its overall organizational plans in more efficient and effective ways. In this sense, the strategic relationship to organizational competitiveness and effectiveness is built on achieving the clienteles' expectations and wishes. To accomplish so, firms must first understand the value alignment of their specific consumer base, that is, what will be visible as value addition by customers specific to their industry and service or product (Potgieter & Roodt, 2004).

Globally, competitive organizations depend on the uniqueness of their competitive strategies and business model dynamic capabilities to gain a desirable competitive advantage. An organization usually chooses to adopt a competitive strategy among three options: cost leadership, differentiation and focus strategies (Porter, 1985). Delloite (2018) announced that banks have spent $9.7 billion globally to improve their mobile wallet abilities in the front office.

In China, Islami et al. (2020) notes that to gain advanced financial results, cost leadership is necessary just as stated by (Onyango, 2017). Companies working in emerging countries need to make reasonable market modelling decisions, along with complex choices, to overcome the particular problems of accelerated change and structural differences. The effectiveness of various policy decisions varies depending on the degree of market penetration. The effect on the financial performance of both expense and dual strategies is greater for foreign companies than for local producers. Although cost-leading and dual strategies are less effective for less complicated markets than for more intense ones, the benefit of distinction is stronger where industry penetration levels are low rather than concentrated.

The Sub-Saharan context has neither enjoyed the benefit of developments in technology as well as financial innovations. Therefore, small businesses are the main contributors to the economy of major African countries as it is in some other countries (World Bank, 2021). For instance, Nigeria's financial sector has reported unparalleled growth and expansion in the last few decades. There has been a tremendous improvement in the quality and quantity of the various types of services offered to clients. The industry's deregulation has led to an increase in the number of banking services providers and the number of customers. This led to increased competition between the suppliers, as each of them continues to pursue tactics aimed at enabling them to have their market share to be profitable and to ensure sustainability (Oghojafor, 2014). Therefore, it can be acknowledged that for sustainable competitive advantage in the most dynamic corporate market, investment in innovation cannot be overlooked.

1.1.1 Value-Disciplines Model Strategy

The Value-Disciplines Model strategy, involve customer intimacy, product leadership, and operational excellence which shape the significant strategy a firm can use to obtain competitiveness (Treacy & Wiersema, 1993). Ouma (2018) indicates that these disciplines assist organizations in determining what they value they can offer to the customers. The guidelines that govern the behavior of market leaders are as follows: they deliver the finest product in the business by thriving in a certain aspect of quality. Leading companies first create a distinctive and unique value offer. The 2nd criterion is to preserve baseline requirements on other characteristics of quality/value, so that performance in other dimensions does not deteriorate. The 3rd guideline is to monopolize their segment by increasing the value of your product year after year. The 3rd guideline is to create a finely calibrated operational model geared to providing unrivaled value.

The disciplines of operational excellence place a premium on improving the development and distribution of goods and services. This leads in goods or services that are dependable, competitively priced, and provided with little hassle or annoyance (Treacy & Wiersema, 1995). Product leadership worth concentrates on providing consumers with cutting-edge products and services that constantly improve the client's usage or implementation of the item, rendering competing goods outdated (Treacy & Wiersema, 1995). Customer intimacy relies on consumer interaction separate their target audiences accurately and then design their offers to closely fit the wants of those segments. Treacy and Wiersema (1995) stated that a company must be proficient in all three departments to be competitive, but an entity must excel in only one discipline to be a leading company. The disciplines approach is an outgrowth of Michael Porter's generic competitive edge tactics.

A cost leadership plan is the goal of an operational excellence strategy. To implement a cost dominance approach, for example, an organization's manufacturing or operational procedures must be efficient and effective in order to supply goods/services to consumers at competitive costs. Organizations must select one of the three general competitive methods outlined above (Porter, 1985). According to Njoki (2015), competitive strategies that integrated cost - leadership strategy as a quality management approach resulted in favorable market outcomes.

The major emphasis here is on automating firm, minimizing costs and increasing the efficiency in operations. A cost-leading approach is excellent for industries where clients prioritize cost above choice, as is typically the case in mature, commoditized businesses where cost dominance offers an avenue for sustained development. Operational excellence leaders are highly centralized, with strict corporate integrity and a structured, rule-based process (Porter, 1980). Because of continuous improvement, the market cost leader is better positioned to maximize marginal earnings. As a result, it has been established that cost control is positively associated to productivity (de Mast et al., 2022). The evaluation of important steps and comparing expenses are essential components of the activities of these firms, who are always striving to optimize their procedures to eliminate mistakes (Kaouthar, 2020; Islami et al., 2020).

The customer intimacy approach focuses on fragmenting and customizing offers to closely fit the demands of clients, with an emphasis on delivering a distinct variety of client solutions that enables for service customization and product modification to fulfill varying customer requirements. Businesses that adopt this strategy frequently package services and goods into a solution tailored to the particular consumer (Habryn et al., 2010; Sánchez-Gutiérrez et al., 2019).

This viewpoint does not distinguish between the production of value by a supplier and its degradation by the client, but instead highlights the concept of value co-creation between provider and client. In order for a firm to stay aggressive, the consumer must be involved in the value generation processes (Habryn & colleagues, 2010). Every consumer-closeness organization is built on extensive consumer understanding and thorough insights into the customer's core operations. Furthermore, client intimacy is defined by the capacity to respond swiftly to nearly any consumer requirement, from personalizing a service to satisfying a particular request. As a result, the proper level of operational flexibility is required (McColl-Kennedy et al., 2019; Raja et al., 2020).

Product leadership as a competitor's strategy to foster a culture of bringing outstanding goods to market on a consistent basis. That is the development of a product or service that is recognized as unique in its sector. Product figureheads in this industry acquire premium market pricing as a result of the experience they provide to their clients. Product figureheads understand that innovation, problem solving, and cooperation are crucial to their success. Because of this reliance on expensive people, product leaders aim to utilize their experience across territorial and corporate barriers by understanding aspects such as teamwork and organisational learning (Austine, 2020; Porter, 1985; Tanwar, 2013).

The corporation can obtain a competitive edge over its rivals if it can provide a lower price than its opponents, while maintaining the same commodity worth/quality. The corporation may reach a cheaper sales price since it uses economies of scale, operation effectiveness, the technology employed, availability of access to raw materials, and so on (Putra, 2018).

1.1.2 Competitive Advantage

Theoretically, Porter (1980) argues that firms compete with each other in international markets rather than as nations. Competitive advantage is the result of the difference between company value created for its consumers and the costs of producing it. Superior value is achieved by charging lower rates for equivalent benefits or by delivering distinctive advantages that outweigh higher pricing (Kiseľáková et al., 2018). This study will be anchored on dynamic capabilities theory, porters five forces theory, competitive advantage theory, theory of planned behaviour and dynamic capability theory to link and show how the commercial banks gain and maintain their competitive advantage given the value-disciplines strategy.

Therefore, competitiveness can be characterized as the capacity to convey products and services at the place, form, and time looked for by the proposed clients at costs on a par with or better than different providers while procuring at any rate opportunity costs on assets utilized. Likewise, other economists characterize competitiveness as the continued capacity to productively pick up and keep up a piece of the overall industry in homegrown or potentially unfamiliar business sectors. These definitions are reminiscent of the varying methodologies used to investigate seriousness. Seriousness is generally associated with the drawn-out presentation of enormous organizations and financial areas. One of the procedures investigates the competency approach which is a method of contemplating singular attributes prompting the achievement of an occupation job and subsequently to the capacity of an enterprise to accomplish its objectives (Ketels, 2016).

Competitive advantage is the benefit that a corporation has that guarantees it satisfies the demands of its consumers better or cheaper than its rivals (Hugh et al., 2000), hence developing and maintaining superior performance. The major issue in corporate strategy, particularly for multinational corporations, is how to maintain competitiveness in the long run. SCA (Sustainable competitive advantage) can be characterized as a long-term business strategy aim represented in competences, competencies, customer focus, dynamic strategy, invention, and management of systems (Momanyi, 2017).

Competition encourages managers to consistently improve their efficiency and quality, resulting in greater service delivery. Firms in a sector are always competing for market share and return on investment (ROI) (Porter 2010). The basics of developing a sustainable competitive advantage are dependent on the capabilities in which the firm is prepared to invest in order to maintain the shift in the macro-environment (Srivastava et al., 2013; Parida & Wincent, 2019). Therefore, it is imperative that sustainable competitive advantage ought to be built upon corporate capabilities. These capabilities (both tangible and intangible) defined in the dynamic capability theory need to be very unique to the competitors. Intellectual property rights (patents), exclusive licenses, and statutory monopolies-government government agencies are examples of tangible capabilities, whereas intangible capabilities include brand image, governance (leadership), skills and knowledge, team spirit, corporate culture, business process, and partnership, among others. (Momanyi, 2017).

An examination done by Okelo (2014) demonstrated that even though there is exceptional rivalry inside the monetary area, financial institutions can at present have an edge over different contenders. This advantage can be sustained through mobilization of funds internally, improvement on the delivery of service through adoption of modern technology, reduction of operation costs, training of staff on competence-based performance, improvement of governance and engaging in aggressive marketing. By use of a census approach Njoki (2015) analyzed assessed application of competitive Strategies towards their performance. According to the findings, competitive tactics such resulted in favorable performance.

As a result, by making these skills dynamic and one-of-a-kind, a lasting competitive advantage may be obtained by constantly developing current and generating new capabilities and resources in reply to evolving commercial dynamics. Knowledge is the most essential value-creating asset in the modern economy. A firm operating in any industry must exhibit appropriate strategic behavior in order for them to remain competitive in a dynamic and competitive environment. There is therefore need for a firm to understand its external environment in totality and from this adopt appropriate strategies that will not only enhance its performance but give it sustained competitive advantage and maximize stakeholder value (Kung'u & Machuki, 2016). Porter (1998) defines competitiveness as the way a corporation performs in a certain industry; how a corporation might acquire a competitiveness by battling in a unique way with other firms in the industry. The essence of developing a competitive strategy is relating a firm to its environment. Porter also believes that corporations can use one of three generic tactics. A firm's competitive tactics should result in a competitive advantage.

Thus, competitive advantage has been operationalized and measured in terms of reduction of costs (1. Total expenditures are being reduced at a faster rate than rivals. 2. a greater decrease in operating expenditures than rivals 3. a greater decrease in total expenditures divided by revenue than competition 4. greater decrease of functioning expenditures divided by income than rivals), dilution of competitive challenges (1. dissolution of all potential rivalry 2. complete deactivation of all competitive pressures 3. deactivation of extra competitive pressures than present rivals) and manipulation of industry benefits 2. complete utilization of market possibilities 3. taking advantage of more marketplace possibilities than rivals) (Gleißner et al., 2013; Sigalas et al., 2013).

1.1.3 Kenyan Commercial Banks/Lenders

The Kenyan financial market is regulated by the Central Bank of Kenya (CBK). It comprises of thirty-eight Commercial Banks that help in the running of the financial market of Kenya (CBK, 2021). A weighted composite index (WCI) is used to divide financial institutions into 3 peer tires. A major bank is defined as one having a WCI of five per cent or higher. A medium bank has a WCI of 1 per cent to five per cent, whereas a tiny bank has a WCI of less than 1 per cent (CBK, 2021). There were nine big banks with a combined market share of 74.76 percent for the fiscal year ending 2021, eight medium financial institutions with a total market share of 16.41 %, and 22 minor institutions with a total market share of 8.82 %. The count of banks declined from 1,502 in 2020 to 1,459 in 2021, a drop of forty-three outlets/branches (2.86%). Nairobi County had the greatest decline by 33 branches (CBK, 2021).

1.2 Statement of the Problem

The creation of sustainable competitive advantage is considered a fundamental feature critical in ensuring that competitiveness. Thus, in order to operate successfully in such a volatile and aggressive market, a business must implement positioning advantages that optimizes the value of customers/stakeholders (Mahdi & Nassar, 2021). However, due to intense competition, the Kenyan banking sector in the past few years has registered a fluctuating performance for instance on 4th May 2020, where the takeover of Imperial Bank 's holdings and assignment of obligations of Kshs 3.2 billion to KCB Corporation was authorized for mid-2020 (Cytonn, 2021).

Due to a higher increase in competition, smaller commercial banks have lost on their price, cost and market leadership. Following the closure of two money remittance providers in 2020, the number of outlets and agents reduced from 46 in 2019 to 41 and 47 in 2020, respectively (CBK, 2021). Some financial institutions' embrace of alternate delivery channels such resulted in the liquidation of branches in 2021, which was mostly due to the market's intense rivalry (CBK, 2021). Therefore, the main question is that, can the Kenyan commercial banks/lenders leverage the value discipline to help them sustain their competitiveness? That is how can value discipline translate to competitive advantage among Kenyan commercial banks/lenders?

There are a significant documentation in favor of value practice and competitiveness of Kenyan financial institutions. Regardless, some of the studies have been found to have several academic deficiencies while others showing no relationship and others showing conflicting results. Given the study by Muazu and Nashehu (2021), its drawback is its failure to present a paradigm for quality management integration suited for Nigerian financial institutions as well as other scenarios. This therefore, presents a contextual gap. Due to the study design, Bag et al. (2020)'s study was restricted by the utilization of only primary data and a small number of participants, thus, presenting methodological gaps which bring out challenges in its generalizability to other contexts. Mulia et al. (2020) offers an extended TAM constructs to study the role of customer intimacy in increasing loyalty, however, it does not show the emphasis placed on competitiveness theories towards increasing loyalty, thus brings out a theoretical gap. Harcourt and Adiele (2020)’s study had a relatively small sample size which implies that the measurement instrument developed in this study need to be cross-validated in future research (this presented a methodological gap). Therefore, from the above examples of contextual, theoretical, and methodological gaps, the current study hypothesizes the following aims.

1.3 Objectives of the Study

To analyze the relationship between value discipline and competitiveness: taxonomy of Kenyan commercial banks/lenders.

1.3.1 Specific Objectives

1. To determine the effect operational excellence on competitiveness of Kenyan commercial banks/lenders.
2. To assess the relationship between customer intimacy and competitiveness of Kenyan commercial banks/lenders.
3. To investigate the effect product leadership on competitiveness of Kenyan commercial banks/lenders.

1.4 Research Questions

1. What is the effect of operational excellence on competitiveness of Kenyan commercial banks/lenders?
2. What is the effect of customer intimacy on competitive advantage of Kenyan commercial banks/lenders?
3. What is the effect of product leadership on competitive advantage of Kenyan commercial banks/lenders?

1.5 Significance of the Study

The study's results and suggestions will assist credit institutions authorities in making judgments on the implementation of the best quality disciplines and approach within their operations to achieve competitiveness. This study offers significant insights and presents practitioners in strategic management, policy makers, and the leadership in Kenyan commercial banks/lenders with valuable recommendations. This will ensure their knowledge and practicality of competitiveness is beefed up.

The study likewise, aims to present recommendations to policymakers such as the regulator of the banking industry in Kenya. The study advises them to ensure that they develop and formulate policies that ensure Kenyan commercial banks/lenders are able to operate freely and without discrimination from other competitors in Kenya's financial sector.

The study will be used by academic and business researchers to broaden the knowledge base and lay the groundwork for future research in the subject of value discipline and competitiveness among financial institutions. They will consider the research presented valuable in constructing their own case. Furthermore, experts will be able to compare and contrast the outcomes of this study with those of other investigations.

1.6 Scope of the Study

The research is based on the context of Kenyan financial industry where commercial banks were the unit of analysis. The study variables were four where operational excellence, customer intimacy and product leadership were the independent variables while competitiveness of Kenyan commercial banks was the dependent variable. A descriptive research technique was used as a research strategy. Theoretically, the porters' five forces theory, competitive advantage theory, theory of planned behaviour and dynamic capability theory grounded the study. The investigation targeted Kenya's 42 financial institutions. The study employed a census survey method; therefore the 42 commercial banks remained the sample. The primary data for the study was collected via questionnaires. The research was carried out in 2022 to 2023.

1.7 Study Limitations

The study was faced with the lack of willingness by the respondents to participate in the study since it targeted high-profile respondents who are the commercial bank managers. The researcher mitigated this by making regular follow ups on phone and by email. The participants were provided with an informed consent form which explained the research objectives and any potential risks involved. They were given the option to participate or withdraw from the study, and their privacy was respected throughout. The researcher-maintained objectivity and avoided misrepresenting the results to protect their own and the participants' personal integrity. To ensure confidentiality, the names of the participants and institution were coded, and all shared information was kept anonymous. This guaranteed the confidentiality of the study's findings and the identities of the participants.

In addition, the lack of reliability of the questionnaire hindered accuracy of the data obtained. The researcher controlled this by undertaking pilot test to ensure the internal consistency of each question. In addition, the banking policy restricted most of the respondents from answering some questions in the questionnaire. However, the researcher sorted this issue out by seeking accreditation NACOSTI and authorization from the graduate school.

1.8 Organization of the Study

The first chapter of this study provided context for the original study, core principles, statement of the problem, study aims, questions, relevance, drawbacks, and restrictions. The second chapter of this study included the systematic review and the critique of the previous studies to present the gaps in the literature. The study design, population sample, experiment tools, data collecting techniques, processing, ethical considerations are all covered in Chapter three. Chapter four of this study discussed the processed data results collected. The study objectives were followed to process the results and interpret them, which was in line with investigating the study problem. The data was analyzed using both descriptive and inferential statistics. The chapter is organized as follows: response rate, reliability, validity analysis, background information, descriptive analysis, diagnostic tests and the inferential statistics.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter on literature review presents past literature in the line of hypothesis the study will choose. This is done by reviewing the relevant theories and the empirical literature based on the study objectives. Then the assertions are presented in a conceptual framework.

2.2 Theoretical Review

The current study was based on the porters' five forces theory, competitive advantage theory, theory of planned behavior and dynamic capability theory and seek to show their relevance and contribution to competitive advantage in the current study.

2.2.1 Dynamic Capability Theory

Dynamic capability is the company's potential to react, create, and re-configure both internal and external assets to meet continually changing conditions as defined initially by (Teece et al., 1997). It emerged as both an option about and a response against the RBV's inability to explain asset extraction and recreation, and abilities to meet rapidly the evolving conditions. Dynamic Capability has become a kind of essential favourable position (Teece, 2018). It is the dynamic aptitudes, skills and capacities that permit associations to coordinate marshal and reconfigure their assets and abilities to adjust in the steady competitive market (Bleady, Ali & Ibrahim, 2018).

The theory bases its argument on the aptitudes as the essential premise of competitiveness, accordingly, in any organization assets are the premise of the capacities (Grant, 1991). Amit and Shoemaker (1993) noticed that capacity building utilizing accessible assets is significant for associations to be proficient. Notwithstanding, Haas and Hansen (2005) and Vickers-Koch and Long (1995) conceded to the estimation of abilities and recommended that the utilization of their capacities would permit organizations to improve.

Teece et al. (1997) advocated the re-configuring of firm resources deliberately to accomplish the needed results for form competitiveness (Sirmon et al., 2003; Nadleret al., 1997). Firm’s resources give it a substantially more stable ground to compete with its rivals and build up its growth activity. Therefore, it is the mandate of the firms to ensure that the resources have the capacity, and competence to deliver the required capabilities to meet the dynamic market (Ferreira et al., 2020; Teece et al., 1997).

As supported by Bleady, Ali and Ibrahim (2018), the dynamic capacity theory provides substantial predictive power for instance where partly predictable technological progress is on the verge of evolving market competition. In addition, the principle recognizes that to maintain optimal success for businesses, they need to guarantee that the intrinsic assets (such as HR, technical skills, cash reserves, etc.) are completely efficient (Koch & Windsperger, 2017).

To do this, firms should accept the creativity factor, which is an essential architecture component that organizations ought to equip their capital for the desired outcomes amid environmental competition. The theory is thus significant since it explains the achievement of sustained competitive edge, by utilizing the dynamic capabilities. The theoretical pre-suppositions therefore, back the hypothesize relationship between operational excellence and competitiveness of Kenyan commercial banks/lenders.

2.2.2 Porters Five Forces Theory

Porter (1979) developed the theory to explain why there is so much competition in a given market. It clearly demonstrates the five factors that influence an industry's competitive intensity and, as a result, its profitability attractiveness. Among the five forces, an unattractive industry will reduce overall profitability, with pure competition being the most unattractive industry. According to Porter (1997), in a situation of pure competition, all businesses' available profits are driven to typical profit levels. These five powers, according to Porter, have an impact on a company's capacity to satisfy customers and generate revenue. A change in either power typically enables a company to reevaluate the market in light of the sector's general shift in details. According to Porter (1979), He perceives five forces: the risk of substitute products, existing rivals and potential competitors, supplier negotiating leverage, and consumer negotiating control.

Understanding these forces helps firms to scan the industry and valuate their operations to improve their current profitability. Along this line, competition helps businesses to differentiate themselves from one another and to expand their market share. For instance, prices tend to go down as a result of the many choices that consumers have, and because of the fierce competition, the economy grows quickly as players adopt new technologies to help reduce operational costs and increase productivity (Kryscynski et al.,2021). In addition, Nyauncho and Nyamweya (2015) acknowledge that businesses can achieve cost leadership objectives by utilizing the generic version of Porter's theory.

According to Hessels & Terjesen (2010), businesses will also actively try to control internal or externally critical resources, in this case, customers, as best they can in an uncertain environment and increase their chances of survival by adapting to the environment. They can do this by merging, taking over, partnering, licensing, and forming joint ventures, among other ways, to make it more expensive for new competitors to enter the market. This enables lenders with weak strategies to develop hybrid strategies that improve their capacity to effectively maintain market performance (Borys & Jemison, 1989; Das and team, 2017).

Therefore, with the uncertainty in the financial markets brought about by volatility in credit and liquidity risks, there is need for financial firms to strategize themselves with the available resources in order to survive the harsh fluctuations. Kenyan commercial banks/lenders are also advised to embrace cost and price leadership in order to effectively top the competition. Talent management (Al Nsour & Tayeh, 2018), digitalizing (Thuita, 2021), Credit information sharing, developing best benchmarked policies, enhancing institutional governance and also monitoring the external use of advanced credit can help the firms stabilize amidst shocks and remain competitive in the market industry (Zhao et al., 2019). The theory thus informs the variable customer intimacy.

2.2.3 Theory of Planned Behaviour

Ajzen and Fishbein created the notion of reasoned action (1980). who proposed a link between attitude and behavior (the A-B relationship) (Ajzen, 1991). It is based on three principles: an individual's behavioral intents, attitude, and subjective norms, which impact their cognitive intentions and subsequently predict the actual execution of the observed behavioral response (Yzer, 2013). People with good attitudes about behavior, judgments of favorable subjective standards, and higher behavioral control are more likely to engage in the behavior. The opposite is true (Ajzen, 1991). The goal of TRA is to demonstrate the link between dispositions and behavior in a person's behaviors and also why people behave depending on sentiments and behavior (Ajzen & Fishbein, 1980).

Behavioural intention is defined as a person's motive or expectation to perform in a specific way. Attitude, encompasses various assumptions about the outcomes of carrying out the behavior, whereas subjective norm refers to the perceived cultural aspirations from various individuals and the urge to comply to these assumptions (Ajzen & Fishbein, 1980). The hypothesis, as per Pikkarainen et al. (2004), implies that people respond logically and acquire and evaluate information in a structured manner. It was also discovered that persons could analyze the danger of that activity and deliberate on their future moves depending on this logical strategic planning (Hale, Householder & Greene, 2002). Subjective norms are indeed influenced by perceptions; hence, a person's perceptions about other people 's aspirations and drive to meet them are dependent on their personal values.

The theory has excelled in its capability to explain whether individual behaviour such as the utilization of innovation is driven by behavioural intentions (Otieno, Liyala, Odongo & Abeka, 2016). It forms the basis for the firm to study the attitudes and behavioural intentions of the customers which influences their intention to buy the products offered by the firm. The appropriateness of the theory relates to product leadership which influences the perceived value and perceived quality drawn by the customers. In other words, the perceived value and the perceived quality are relevant to the product’s superiority (Santosa, 2016). The theory is instrumental in examining the customers’ behaviour highlighting the ability of their choices towards the services and products being offered. The theory therefore, supports the effect of product leadership on competitive advantage of commercial banks.

2.2.4 Competitive Advantage Theory

Competitive advantage theory implies that governments, companies and business entities ought to follow strategies that generate products with high quality for sale at lower market prices (Smith, 1776). This creates a superior quality and an added advantage for the company to outperform its competitors in the market. Competitive advantage exists when an entity acquires or creates a characteristic or set of assets that enable it to perform better than its competitors (Kang & Na, 2020). The theory was coined by Adam Smith (1776). This theory evolves from the customary exchange theories, on a very basic level where Smith is questioning the then-existing Mercantilism theory (which proposed that exchange was a lose-lose situation in which an exchange overflow of one nation is balanced by a trade shortfall in another nation). From the contention, it is seen that exchange is a positive entirety diversion in which all business allies can profit if nations spent significant time in the creation of merchandise and ventures in which they had outright preferred standpoint (Voinescu & Moisoiu, 2019).

According to the competitive advantage theory, it would be implausible for all firms to turn out to be at the same time more extravagant by following protectionist exchange strategies as one country's fares fundamentally speak to imports of the other(s). The hypothesis further proceeds to build up the ideas of outright preferred position and global work division and specialization, Smith pushed with the expectation of complimentary exchange the business field (Bel, 2018). In Smith's view, organizations ought to produce at lower costs than some of the competitors to sell the subsequent items at lower costs in the global market for better profits above the competitors (Smith et al., 2019). The fundamental wellsprings of supreme preferred position in this manner, dwell in factor enrichment (for example regular favourable position) as well as underway innovation utilized (Smith, 1776; Wibowo & Nurcahyo, 2020).

As the contention goes, global deregulation would encourage the development of work division at the worldwide level which, thusly, would change into profitability gains and innovative headway, at last expanding the total bit of leeway of the country's business. Streamlined commerce, in Smith's view, would change into an upright circle cultivating financial development of all countries that had some expertise in those creation measures where countries show supreme points of interest (Siudek & Zawojska, 2014). Golub (1995) likewise, compares absolute advantage to comparative advantage where he expresses that regardless of whether a nation does not have a flat-out preferred standpoint any great this nation and different nations will in any case profit by the universal exchange. Therefore, the theory proposes some sort of preferred standpoint as empowering a nation to acquire out of worldwide exchange (Barney, 2010).

As such the theory specifically informs the current study to embrace the idea of the upper hand in the free and fair competitive market. In essence, for a company or a business entity to gain an upper hand against its competitors, it must be endowed with resources with superior qualities that can provide the consumers with the perceived satisfaction. Therefore, with the uncertainty in the financial markets brought about by volatility in credit and liquidity risks, there is a need for commercial banks to strategize themselves with the available resources to survive the harsh fluctuations. Commercial banks are also advised to embrace cost, product and price leadership to effectively top the competition. The theory therefore is a benchmark to show the extent of competitive advantage of Kenyan commercial banks/lenders.

2.3 Empirical Review

An evaluation of previous literature is a component of a sensible piece that integrates current facts, including relevant disclosures, as well as theoretical and procedural obligations to a certain issue. Writing audit utilizes discretionary sources and does not disclose fresh or unique preliminary work. The literature review is vital since it indicates how the suggested study is associated with the previous measures assessment (Cooper et al., 2018) It demonstrates the inventiveness and relevance of your research topic. It validates the stated viewpoint and demonstrates preparedness to complete the assessment. The review is a basic discourse and description of examined writing that is 'broad' and 'focused' on the specific location and theme of the investigation problem in light (Kuckertz & Brändle, 2021).

2.3.1 Operational Excellence and Competitive Advantage

Muazu and Nashehu (2021) studied the effect of operational Excellence on the performance and competitive advantage of commercial banks in Nigeria. This study used a case study method to highlight some of the potential and advantages that may be derived from operational excellence in corporate financial institutions in emerging economies, as seen by banks in certain wealthy countries. Some of the levers and methods for implementing operational excellence in the banking industry are also covered. As a consequence, the dissertation concludes that operations management improves financial institution delivery of services, consumer experience, purchase price and effectiveness, a considerable increase in income and profitability, and gives banks a competitiveness. The research was limited to commercial banks in Nigeria hence it was not representative of the financial institutions in Kenya thus presenting a contextual gap.

Bag et al. (2020) evaluated the use of operational excellence method to improving sustainability in supply chain performance using dynamic capability theory. They polled mining ceos in South Africa's growing economy and obtained 520 genuine replies. The findings reveal that data analysis managerial competencies have a significant impact on the creation of new green products and the sustainability of supply chain outcomes. These capabilities have a less pronounced but nevertheless important impact on staff advancement and long-term supply chain performance. Sustainable distribution chain effectiveness is affected by learning and innovation efficiency, and supply chain intellectual capital plays an essential moderating function. They surveyed mining executives in the emerging economy of South Africa however; the findings were not representative of financial institutions in Kenya thus presenting a contextual gap.

Owonte and Jaja (2020) investigated the impact of operational excellence on the corporate success of vehicle advertising enterprises in Rivers State, Nigeria. The study focused on 197 vehicle marketing companies. The findings show that the operational excellence plan has a powerful, positive, and considerable impact on consumer contentment. As a result, the study suggests that operational excellence approach has a considerable impact on the performance of vehicle marketing enterprises in Rivers State. Automobile advertising companies must tactically situate operational excellence techniques as a steering wheel of company effectiveness in order for firms to be competitive. They surveyed automobile marketing firms in Rivers State, Nigeria however, the findings were not representative of financial institutions in Kenya thus presenting a contextual gap.

Sony (2019) investigated how to execute a long-term operational excellence effort across the firm. The research included a survey of the literature from 1988 to 2018. This is accomplished through the usage of research publications and other grey material by reputable publications. According to the report, the deployment of operational excellence initiatives has demonstrated initial effectiveness, but the outcomes are uneven (Carvalho et al., 2017). To achieve long-term success, operational excellence frameworks must be blended with principles of longevity. The quality management principles should be socially, economically, and environmentally sustainable. According to the suggested Operational Excellence paradigm, firms that execute quality management initiatives should thoroughly investigate the impact of these initiatives on societal, economical, and ecological parameters. The study used secondary data from electronic sources (conference proceedings and other grey literature by reputed publishers) since1988 to 2018 and lacked the first-hand element provided by primary data and thus could be based on biased data. The study presents a methodological gap.

2.3.2 Customer Intimacy and Competitive Advantage

Mulia et al. (2020) investigated the effect of customer intimacy in boosting Islamic bank customer loyalty through the use of e-banking and m-banking. The self-administered survey approach is used to collect primary data, with Islamic bank clients as the target demographic. Customer satisfaction influences not just the establishment of customer devotion, but also the criteria that influence customer allegiance, such as perceived utility, perceived benefits, risk perception, trustworthiness, sharia compliance, and contentment. That is, client intimacy has an impact on loyalty both directly and indirectly. The study extends TAM dimensions to investigate the effect of client satisfaction in promoting confidence but does not show the emphasis placed on competitiveness theories towards increasing loyalty thus presenting a theoretical gap.

de Waal and van der Heijden (2016) investigated the link between enhancing staff conduct and boosting customer loyalty and customer intimacy. The research did a literature analysis on the elements that may have an impact on developing customer loyalty and closeness. These elements were then validated in practice using a questionnaire issued to persons who are regular clients of organizations in their everyday lives. The findings indicate that service value provided by staff members; staff functionality to accomplish top quality; compassion of staff toward clients' expectations; responsiveness of staff further towards client requirements; etiquette of staff members towards clients; service method of staff members; and the confidence clients position in staff members enhance customer loyalty and intimacy. These factors of customer intimacy were found to be positive in increasing customer loyalty and thus competitiveness. The study was based on the media sector in the Netherlands. Thus, the findings were not representative to the case of financial sector in Kenya thus presenting a contextual gap.

Harcourt and Adiele (2020) evaluated the influence of customer intimacy on bakery company customer retention in Rivers State, Nigeria. The study addressed 174 senior management workers from 33 bakery enterprises using a descriptive survey approach and questionnaires. The results demonstrated that the qualities of client satisfaction had a positive influence on customer loyalty. According to the study, client connection adds greatly to customer retention via trustworthiness and dedication. The study focused on bread businesses in Nigeria's Rivers State. Thus, the findings were not representative to the case of financial sector in Kenya thus presenting a contextual gap.

Nora (2019) intended to examine consumers' understanding of customer closeness and its influence on purchase behavior, especially among customers of Bank Muamalat in Jakarta, Indonesia. This research was carried out at a Sharia bank. The Seven branches were accepted as research locations, with responders from each branch evaluated for the survey. It was discovered that having a high level of consumer awareness might lead to increased client satisfaction, which leads to increased buy back desire. According to the mediation test, excellent client awareness, backed up by greater consumer empathy, can indirectly promote high buying back willingness. The research was conducted on banks in Jakarta, Indonesia. Thus, the findings were not representative to the case of financial sector in Kenya thus presenting a contextual gap.

2.3.3 Product Leadership and Competitive Advantage

Islami et al. (2021) tried to quantify the product leadership and differentiation strategy execution to its competitive advantage in the SMEs culinary company. The strategy employed was a descriptive design. The findings show that cost leadership and differentiation have a positive and substantial influence on competitiveness, but the effect of product dominance and diversity on competitiveness is stronger. The study findings are not generalizable to Kenyan banking firms since they were based on the case of SMEs thus presenting a methodological and contextual gap.

Islami et al. (2020) wanted to know how Porter's general strategies (low-cost plan, brand dominance, focused differentiation, and focus technique) affected business productivity. Surveys were issued to 150 executives of businesses functioning in the Republic of Kosovo. According to the statistics, adopting differentiation strategy improves company performance more than two other Porter's generic approaches (low-cost approach or focus approach), both of which have a favorable influence. The study findings are not generalizable to Kenyan banking firms since they are based on the case of the republic of Kosovo thus presenting a contextual gap.

Santosa (2015) investigated if product leadership influences customer satisfaction. A sample of 100 respondents was selected using a judgment approach. The findings indicate that the linkages between brand supremacy and customer engagement, as well as brand equity and customer loyalty, are substantial. On the contrary, the association between service support excellence and brand equity, as well as the relationship between product dominance and customer satisfaction, is insignificant. According to the study, in order for a company to be a competing leader, it should pick product dominance, service supported quality, client - centric method, or a mix of these. The study focused on the case of Indonesian firms whose findings are not representative of the case of the case of financial sector in Kenya thus presenting a contextual gap.

Simiyu and Makhamara (2020) investigated the impact of constant improvement, leadership effectiveness, critical resources, and product leadership on competitiveness at G4S in Kenya. The research employed descriptive approach and addressed 540 G4s employees. The findings show that persistent innovation, leadership effectiveness, critical resources, and product uniqueness for leadership have a positive influence on G4S, Kenya's competitiveness. The study focused on G4S, Kenya whose findings are not representative of the case of the case of financial sector in Kenya thus presenting a contextual gap.

Samsir's (2018) study examined how leadership orientation affects the competitive advantage of small and medium enterprises (SMEs) in Indonesia. The study focused on 258 SMEs selling typical food products from Riau, located in Kepulauan Meranti Regency. The research found that a company's leadership perspective has a significant impact on the level of creativity within the organization. More effective leadership leads to higher levels of creativity, which in turn impacts competitiveness. However, the study's findings are limited to SMEs in the typical food product industry in Riau and Kepulauan Meranti Regency, and cannot be generalized to the financial sector in Kenya, highlighting a contextual gap.

2.4 Critique of the Literature and Research Gaps

The current study discovered significant documentation in favor of value practice and competitiveness of Kenyan financial institutions. Specifically, operational excellence, customer intimacy and product leadership have been hailed for their contribution towards value discipline in the financial sector and they have been found to a relationship with competitive advantage. This proves that the study is worthwhile since in various contexts, different empirical studies have proven the relationship to be significant. Regardless, some of the studies have been found to have several academic deficiencies while others showing no relationship and others showing conflicting results.

Given the study by Muazu and Nashehu (2021), It might be argued that this study bolstered the prospects and advantages of continuous improvement to entrepreneurship, particularly the banking industry in emerging economies. However, one of its limitations is its failure to suggest a quality management execution methodology appropriate for Nigerian commercial banks and other contexts, resulting in a contextual gap. Bag et al. (2020) were constrained by the use of cross-sectional data and a very small sample size derived from a single sector (the mining sector) in a single nation, resulting in a methodological gap.

Mulia et al. (2020) present an expanded TAM framework to investigate the effect of client satisfaction in promoting loyalty with a focus on the instance of Islamic banks. It does not demonstrate the focus put on competition theories on strengthening loyalty, resulting in a theoretical gap. Harcourt and Adiele (2020) evaluated the influence of client satisfaction on bakery company customer retention in Rivers State, Nigeria. However, due to the study's limited sample size, the measuring instrument used in this study will need to be cross-validated in future research, exposing a methodological gap.

Samsir (2018) wanted to explore the impact of leadership perspective on the competitiveness of Indonesian SMEs. The emphasis is placed on the importance of training and development of human resource for competitiveness. The study found that it is vital to consider the capacity of employees by providing staff with coaching to stay competent in the long term, and to take into consideration in the execution of developments such as prizes for employees on innovative concepts presented to the firm. This creates a contextual gap.

As a result of the preceding examples of how continuous improvement, customer engagement, and product positioning impacts on competitive nature, the present research embraces the same parameters as the value disciplines towards commercial banks' competitiveness in Kenya.

2.5 Summary of the Research Gaps

The study based on the empirical literature reviewed has found support for the study variable but along the same line, has identified several knowledge gaps pertaining to the study concepts. The gaps have been summarized below.

Table 2.1: Summary of the Research Gaps Identified for Future Research

Author(s) & year	Specific objectives/variables	Research Findings	Research gaps identified for future research	Focus of the Current Study
Muazu and Nashehu (2021)	Operational Excellence, Commercial Banking Performance	Nigerian banks must utilize their staff, procedures, innovation, and governance to achieve operational excellence in order to maintain competitiveness in both local and worldwide economies.	The research was limited to commercial banks in Nigeria hence it was not representative of the financial institutions in Kenya thus presenting a contextual gap	The focus is now on how value disciplines affect the competitive advantage of financial institutions in Kenya.
Bag et al. (2020)	Operational Excellence and Organizational Performance	Sustainable distribution chain effectiveness is affected by learning and innovation efficiency, and supply chain intellectual capital plays an essential moderating function.	The findings were not representative of financial institutions in Kenya thus presenting a contextual gap.	The focus is now on how value disciplines affect the competitive advantage of financial institutions in Kenya.
Owonte and Jaja (2020)	Operational Excellence and Organizational Performance	Automobile advertising companies must tactically situate operational excellence techniques as a steering wheel of company effectiveness in order for firms to be competitive.	The findings were not representative of financial institutions in Kenya thus presenting a contextual gap.	The focus is now on how value disciplines affect the competitive advantage of financial institutions in Kenya.
Mulia et al. (2020)	customer intimacy, customer loyalty, e-banking and m-banking	Customer satisfaction influences not just the establishment of customer devotion, but also the criteria that influence customer allegiance, such as perceived utility, perceived benefits, risk perception, trustworthiness, sharia compliance, and contentment. That is, client intimacy has an impact on loyalty both directly	The study extends TAM dimensions to investigate the effect of client satisfaction in promoting confidence but does not show the emphasis placed on competitiveness theories towards increasing loyalty thus presenting a theoretical gap	The focus is now on how value disciplines affect the competitive advantage of financial institutions in Kenya.

		and indirectly		
Harcourt and Adiele (2020)	Customer intimacy and customer retention	The results demonstrated that the qualities of client satisfaction had a positive influence on customer loyalty.	The study focused on bread businesses in Nigeria's Rivers State. Thus, the findings were not representative to the case of financial sector in Kenya thus presenting a contextual gap.	The focus is now on how value disciplines affect the competitive advantage of financial institutions in Kenya.
Islami et al. (2020)	Porter's generic strategies and firm performance	The findings show that cost leadership and differentiation have a positive and substantial influence on competitiveness, but the effect of product dominance and diversity on competitiveness is stronger.	The study findings are not generalizable to Kenyan banking firms since they were based on the case of SMEs thus presenting a methodological and contextual gap.	The focus is now on how value disciplines affect the competitive advantage of financial institutions in Kenya.
Simiyu and Makhamara (2020)	Competitiveness, product leadership, continuous improvement and strategic leadership	The findings show that persistent innovation, leadership effectiveness, critical resources, and product uniqueness for leadership have a positive influence on G4S, Kenya's competitiveness.	The study focused on G4S, Kenya whose findings are not representative of the case of the case of financial sector in Kenya thus presenting a contextual gap.	The focus is now on how value disciplines affect the competitive advantage of financial institutions in Kenya.
Sony (2019)	Operational excellence and Total quality management	Firms that execute quality management initiatives should thoroughly investigate the impact of these initiatives on societal, economical, and ecological parameters.	The study used secondary data from electronic sources and lacked the first-hand element provided by primary data and thus could be based on biased data. The study presents a methodological gap	The focus is now on how value disciplines affect the competitive advantage of financial institutions in Kenya.
Nora (2019)	Customer intimacy and customer retention	It was discovered that having a high level of consumer awareness might lead to increased client satisfaction, which leads to increased buy back desire.	The research was conducted on banks in Jakarta, Indonesia. Thus, the findings were not representative to the case of financial sector in Kenya thus presenting a contextual gap.	The focus is now on how value disciplines affect the competitive advantage of financial institutions in Kenya.

Samsir (2018)	Leadership orientation, innovation and competitiveness	The investigation discovered that leadership perspective has a major impact on creativity. Higher levels of governance will lead to greater levels of creativity. Innovation has a tremendous impact on competitiveness.	The study focused on SMEs of typical food products of Riau domiciled in Kepulauan Meranti Regency in Indonesia whose findings are not representative of the case of the case of financial sector in Kenya thus presenting a contextual gap	The focus is now on how value disciplines affect the competitive advantage of financial institutions in Kenya.
de Waal and van der Heijden (2016)	customer loyalty, customer intimacy employee behaviour	These factors of customer intimacy were found to be positive in increasing customer loyalty and thus competitiveness.	The study was based on the media sector in the Netherlands. Thus, the findings were not representative to the case of financial sector in Kenya thus presenting a contextual gap.	The focus is now on how value disciplines affect the competitive advantage of financial institutions in Kenya.
Santosa (2015)	Product Leadership and Intentions of customers to buy	The findings indicate that the linkages between brand supremacy and customer engagement, as well as brand equity and customer loyalty, are substantial.	The study focused on the case of Indonesian firms whose findings are not representative of the case of the case of financial sector in Kenya thus presenting a contextual gap.	The focus is now on how value disciplines affect the competitive advantage of financial institutions in Kenya.

Source: Literature Review (2023)

2.6 Conceptual Framework

The framework connects the competitive advantage, the dependent variable, to the three value disciplines as shown in Fig. 2.1. The dependent variable was competitive advantage while operational excellence, customer intimacy and product leadership.

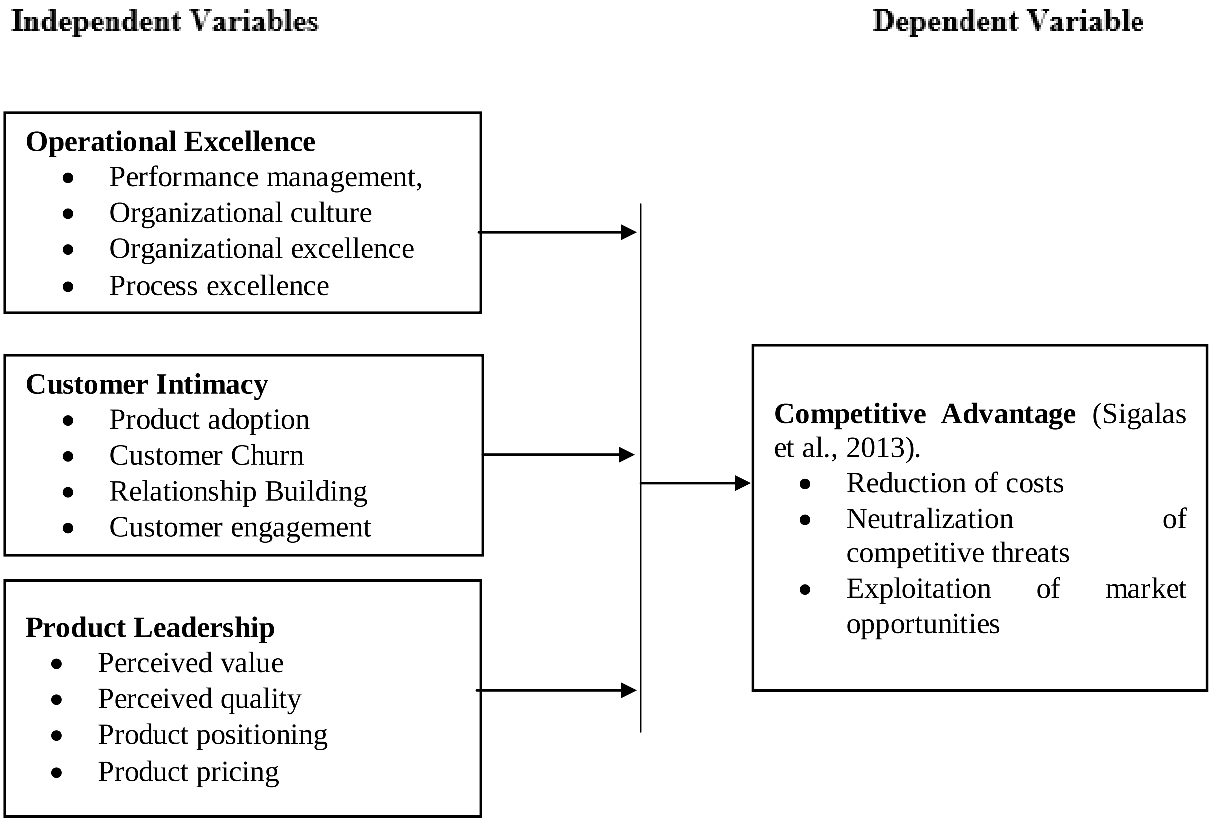

Figure 2.1: Conceptual Framework

Source: Researcher (2023)

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This section presents the processes or strategies used to find, choose, process, and evaluate data on a subject. It helps the audience to objectively examine the general relevance and credibility of the investigation. That is, the scientific procedure of resolving a study topic by acquiring statistics utilizing multiple methodologies, interpreting the knowledge acquired, and reaching implications regarding the study results. The chapter is organized as follows: research design, target population, sampling frame, research instrument, data collection procedures, pilot test, reliability, validity, data analysis & data presentation, diagnostic analysis and ethical considerations.

3.2 Research Design

The preference of a research architecture is based on the advantages of the design that are essential to reaching the study's objectives (Bloomfield & Fisher, 2019). The research used a descriptive research design. The purpose of a descriptive study is to produce information about the existence and state of research phenomena. Descriptive design is justified because it offers a foundation for doing qualitative and quantitative research work. It captures replicable data from practically any human community; hence this methodology was used to gather data from a sample group of the community, the results of which were used to reflect the number of individuals as a whole (Baker, 2017; Dannels, 2018).

3.3 Target Population

The 42 Kenyan commercial banks/lenders were the targeted population. The study targeted the 42 commercial bank managers as the unit of observation and the 42 commercial banks as the unit of analysis.

3.4 Sampling Frame

Since the population in the current study is small but adequate for study research, that is, 42, the study used a census survey (thus no sampling was done) and thus the targeted population still remained the commercial banks. Fowler (2013) and Lavrakas (2008) stated that when the population is small, sampling is not possible and a census is advised to provide accurate and reliable findings. Census allows for 100% representation (Parker & Gallivan, 2011; Nirel & Glickman, 2009; Thrusfield & Brown, 2017). The research therefore targeted 42 bank managers who were easily chosen from the target group, all who are able to respond to the survey.

3.5 Research Instrument

The instrument to be used were the structured questionnaires. The questionnaires were fit to the study because they covered a large population of the samples, eliminate bias and allow respondents time to study and reflect on the questions hence avoid prompt responses. A Likert scale of 1 – 5 was used where and Strongly Disagree (5). The most positive got five points and most negative one point. The questionnaire composed of section A = background data, section B = competitive advantage, section C = operational excellence, section D = customer intimacy and section E = product leadership.

3.6 Data Collection Procedures

Before gathering data, the researcher obtained consent from the institution, followed by authorization from the appropriate authorities. The researcher also requested a letter of introduction from the department to relevant banks, as well as a letter of introduction from the researcher to respondents, in order to solicit their voluntary involvement in the study. After receiving approval from the essential authorities, the researcher hand delivered the questionnaires to the corresponding bank respondents, and a follow-up was done on a regular basis via phone calls and emails to guarantee a good response. The use of Google forms to electronically transmit surveys to responders also helped with data collecting.

3.7 Pilot Test

Pre-testing was conducted to eliminate bias, the individuals in the pilot study are not involved in the actual assessment method (Creswell, 2014). The pilot test participants were not involved in the main study procedure in order to eliminate bias from the study. The equipment was extensively fine-tuned and improved in order to produce trustworthy and valid data. The pilot research included four participants, reflecting 10 percent of the sample population (0.1*42). (Kistin & Silverstein, 2015). Therefore, the pilot population were from 4 licensed micro-finance institutions in Nairobi County since they provided similar information to the targeted population.

3.7.1 Reliability

This is the accuracy with which analytical instruments produce dependable results (Jain & Angural, 2017). The Cronbach Alpha coefficient was used in this investigation, with a cutoff of 0.7 indicating that the instrument is untrustworthy. de Vet et al. (2017) acknowledge that the Cronbach alpha assists in judging graded responses. The survey instrument is mostly a Likert scale; therefore, the approach is appropriate. Cronbach's alpha score of 0.7 or above is accepted, while anything less than that is excluded.

3.7.2 Validity

Content, face, and construct validity were used to assess validity. Content and face validity is a rational procedure where professional assessment is used to develop relationships between assessment while construct validity encompasses scientific procedures being viewed as a dimension of certain characteristic or value that is not functional (Cronbach & Meehl, 1955). Supervisors at Kenyatta University evaluated the content and face validity. The KMO with a cut-off of 0.5 was used to assess construct validity (Pallant, 2013; Kaiser, 1974; Hutcheson & Sofroniou, 1999; Hadi et al., 2016). Using this analysis correction, adjustments and additions was made to the research instruments.

3.8 Data Analysis & Data Presentation

To ensure accuracy, uniformity, and legitimacy, the data obtained was inspected, processed, corrected, and cleared. Encoding was done by assigning integer rankings to previously altered data in order to give the data significance using SPSS v26.0. This research used descriptive and inferential estimates in data processing, with descriptive metrics being used to furnish a summary of the data set including means, variances, frequencies, standard deviation and median among others. To quantify the link between the research parameters, inferential techniques were employed using the correlation and regression procedures.

Correlation testing was used to assess the degree of the link between the variables, whilst regression testing was used to assess the causative influence of the autonomous factors on the predicted factor. The preceding was based on statistical criteria such as beta values, p-values, R^2, error variances, and t-values at a significance level of 0.05. Tables, charts, themes, and graphs were used to show the overall findings. The model is statistically expressed as follows:

$$Y= \alpha+ \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e$$

Where;

Y= Competitiveness/competitive advantage

β_i = coefficients of the variables

α = The constant term of the model

X_1 = Operational excellence

X_2 = Customer intimacy

X_3= Product leadership

e = Error value

3.8.1 Diagnostic Analysis

Pre-estimation tests were performed prior to executing a regression model. Scatterplots were used to assess linearity. In the event of linearity, the graph showed a linear gradient. The assumption, similarly, asserts that the dataset is uniformly dispersed. The Shapiro-Wilk test and scatterplots were used to determine normality of data (Ghasemi & Zahediasl, 2012; Mishra et al., 2019).

In a multivariate regression analysis, multicollinearity is defined as a high continuous connection among two/even more predictor/independent parameters (Stangor, 2014). It was tested using a threshold of tolerance > 0.2 and a VIF< 10 (Salmerón et al., 2018). Similarly, the constant variance (homoscedasticity) test was performed since executing a prediction modelling devoid of the solution to the problem resulted in biased parametric estimations (Bera & Jarque, 1981; Osborne & Waters, 2002). The graphical scatter plot approach was employed.

3.9 Ethical Considerations

The study sought accreditation NACOSTI and authorization from the graduate school. The researcher used informed consent from the participants to explain the research purpose, requirements, benefits and any potential harm. The participants were debriefed on the possible benefits and risks of the outcomes of the study; thus, their participation was voluntary. The researcher ensured the minimal possibility of harm to the respondents. Similarly, participants had the option to quit the experiment at any time if they believe they would not profit from it.

CHAPTER FOUR

RESEARCH FINDINGS ANALYSIS AND DISCUSSION

4.1 Introduction

During analysis, the processed data results are presented in this chapter. The study objectives were followed to process the results and interpret them, which was in line with investigating the study problem. The data was analyzed using both descriptive and inferential statistics.

4.2 Response Rate

Table 4.1 displays the valid responses from the questionnaires issued.

Table 4.1: Response Rate

Response	Counts	Percentage
Returned responses	38	90.48%
Unreturned responses	4	9.52%
Total	**42**	100.00%

Source: Research Data (2023)

A total of 42 surveys were distributed, with thirty-eight completed and sent back, representing an eighty-four percent response rate. According to Agustini (2018), a reaction percentage of over fifty percent is suitable for statistical analysis. In a similar vein Babbie (2004) discovered that a response rate of fifty per cent may be legitimate, sixty per cent is adequate, and seventy percent is exceptional. A response rate of 95.04 per cent in the present investigation is considered extremely good for consideration.

4.3 Pilot Results

The instrument was first piloted on 4 respondents and the results are presented in Table 4.2 and Table 4.3.

4.3.1 Reliability Testing

Table 4.2: Findings of the Reliability Test

Variables	Cronbach's Alpha	Number of Items	Conclusion
Operational excellence	0.782	14	Reliable
Customer intimacy	0.790	11	Reliable
Product leadership	0.853	11	Reliable
Competitive advantage	0.868	12	Reliable

Source: Research Data (2023)

Table 4.2 indicates that all the variable statements were highly reliable.

4.3.2 Construct Validity Test

Table 4.3: Construct Validity Test

		Bartlett's Test of Sphericity			
Variable	**KMO**	**Approx. Chi-Square**	**df**	**Sig.**	**Conclusion**
Operational excellence	0.563	99.175	45	0.000	Valid
Customer intimacy	0.525	60.875	28	0.000	Valid
Product leadership	0.603	66.933	36	0.001	Valid
Competitive advantage	0.589	78.360	28	0.000	Valid

Source: Research Data (2023)

Table 4.3 presented the summary of the KMO test indicating that all the variables statements were valid for data collection. Likewise, the variables presented correcponding statistically significant values ($P<0.05$) confirming that the variable statements are adequate and valid for data collection.

4.4 Background Information

The demographic information was studied and displayed in tables and graphs under the subsections mentioned.

4.4.1 Level of education

The time period of service for the participants was divided into three groups, and the outcomes were analyzed and demonstrated in figure 4.1.

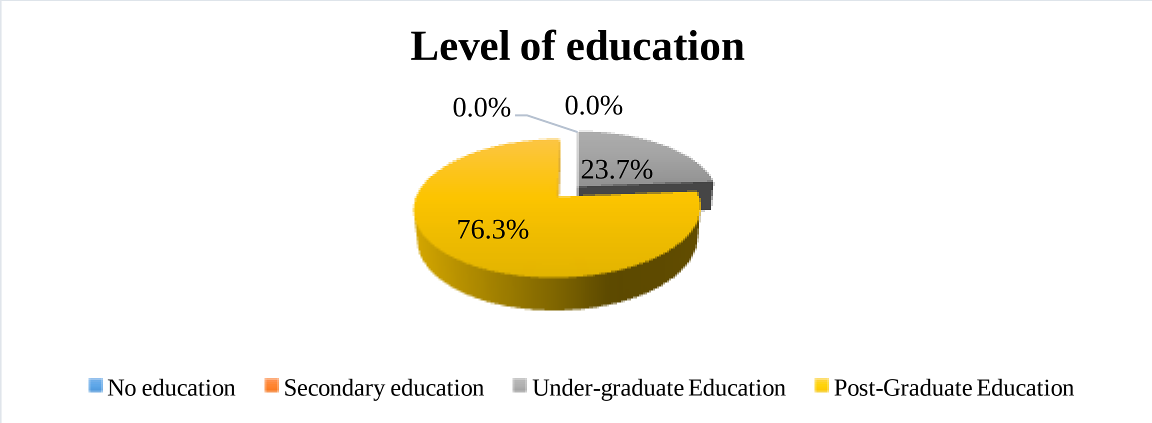

Figure 4.1: Level of education

Source: Research Data (2023)

Figure 4.1 indicates that about 76.3% of the participants had post graduate education while 23.7% of them had undergraduate education. None of them had no education and up to secondary education. High level of education is an indicator of good understanding and a pre-cursor for stellar performance and competitive nature in the banking industry. Education is the initial step and presumption towards improving a leader's achievement (Mesaros et al., 2017). Further higher education level considerably elevates chances of successful management of organizations besides leader's potential to communicate and work with teams in developing capacity in strategy formulation, strategy implementation, monitoring and control (Muthiga, 2021)

4.4.2 Tenure of the Employees in the Bank

Work tenure provides insight into respondents' institutional knowledge and experience. Good institutional knowledge can foster speed, productivity and efficiency as well as knowledge transfer which are important aids during strategy execution.

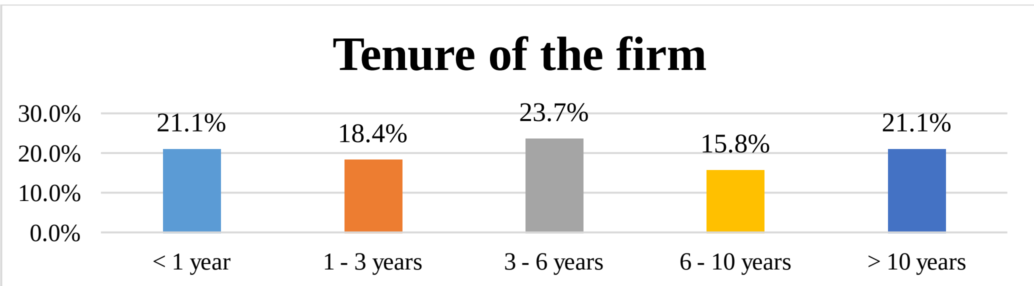

Figure 4.2: Tenure of the firm

Source: Research Data (2023)

Figure 4.2 indicated that 23.7% of the participants have worked 3 to 6 years, 21.1% of them for more than 10 years and less than 1 year respectively, 18.4% of them have worked for 1 to 3 years while 15.8% of them have worked for 6 and 10 years. This was an indication that respondents had sufficient organizational experience to respond authoritatively and credibly to the questions. This was an indication that respondents had sufficient organizational experience to respond authoritatively and credibly to the questions.

4.4.3 Age of the bank in Kenya

The respondents replied as follows based on the age of the banks they work in. They responded as follows:

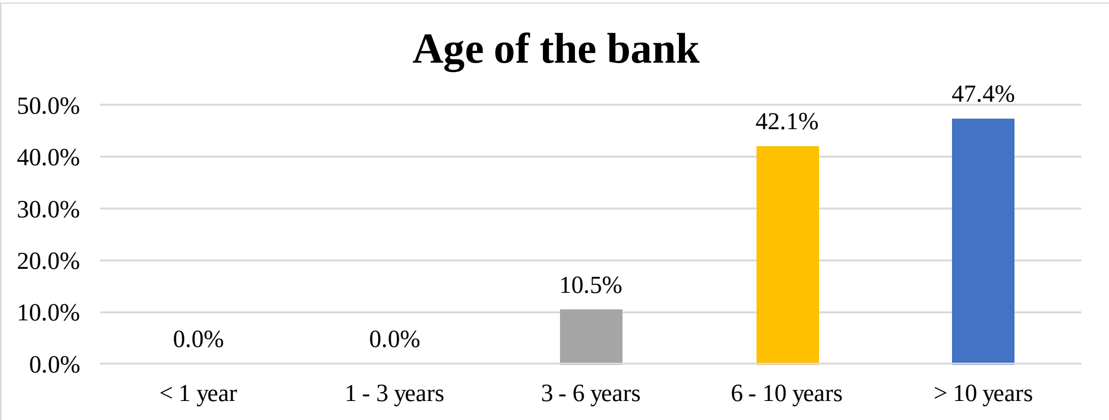

Figure 4.3: Age of the bank

Source: Research Data (2023)

The study findings indicated that 47.4% of the participants indicated that the banks were 3 to 6 years old, 42.1% of them indicated that they were6 to 10 years old while 10.5% of them indicated that they were 3 to 6 years old. The results indicated that majority of the respondents are in the millennial generation, which is also described as digital natives. The millennial generation is perceived as more adaptive to ICT which is largely considered to be the new frontier for successful strategy execution (Mwithiga et al., 2017).

4.5 Descriptive analysis

4.5.1 Descriptive statistics regarding competitive advantage of commercial banks

The study sought to present the comparison in means, frequencies standard deviations and standard errors of the outcomes of competitive advantage of Kenyan commercial banks/lenders.

Table 4.4: Descriptive statistics regarding competitive advantage of Kenyan commercial banks/lenders

Statements	Strongly disagree	disagree	Not sure	agree	Strongly agree	M	S D
1. This industry has a large range of current and potential rivals.	0%	0%	39%	50%	11%	3.71	0.65
2. This industry has a lot of price flexibility.	0%	0%	5%	45%	50%	4.45	0.60
3. There are often numerous identical items in the marketplace.	5%	11%	13%	29%	42%	3.92	1.22
4. Do you believe that, in contrast to rivals, client demands for brand modifications should be pursued?	0%	0%	42%	26%	32%	3.89	0.86
5. Clients in the developing markets find our goods extremely appealing.	0%	5%	21%	11%	63%	4.32	0.99
6. The firm is equipped to respond quickly to marketplace developments in an international intended audience.	0%	0%	16%	53%	32%	4.16	0.68
7. There's a higher danger of compromising competitiveness gained via partnership with other organizations.	5%	16%	0%	61%	18%	3.71	1.11
8. At the moment of entering the market or technique shift, there's really rapid marketplace development in the intended region.	0%	0%	11%	8%	82%	4.71	0.65
9. This market segment has a large variety of prospective buyers.	0%	0%	21%	55%	24%	4.03	0.68
10. This industry has a large commercial opportunity.	0%	11%	29%	42%	18%	3.68	0.90
11. Is there a large variety of current and potential rivals in this industry?	0%	0%	24%	53%	24%	4.00	0.70
12. This industry has a lot of price flexibility.	0%	11%	29%	45%	16%	3.66	0.88
13. At the moment of market introduction, the company entity faces several impediments to business access.	11%	11%	18%	18%	42%	3.71	1.39
14. Compared to the domestic economy, this industry has a comparable client demand	18%	18%	11%	16%	37%	3.34	1.58
Average mean						**3.95**	**0.92**

Given the rating of 5(five – agree/yes) – 1(one – disagree/not agreeing)
Source: Research Data (2023)

Table 4.4 shows that 61% of the participants indicated that the banking industry has a large range of current and potential rivals. Likewise, 95% of the respondents indicated that the banking has a lot of price flexibility. Furthermore, 71% of the respondents indicated that there are often numerous identical items in the marketplace. Also, 58% of the respondents believe that, in contrast to rivals, client demands for brand modifications should be pursued.

Likewise, 74% of the respondents indicated that clients in the developing markets find our goods extremely appealing. Likewise, 85% of the respondents indicated that the firm is equipped to respond quickly to marketplace developments in an international intended audience. Furthermore, 79% of the respondents indicated that There's a higher danger of compromising competitiveness gained via partnership with other organizations. Also, 90% of the respondents indicated that at the moment of entering the market or technique shift, there's really rapid marketplace development in the intended region.

The table also shows that 79% of the respondents indicated that this market segment has a large variety of prospective buyers. Likewise, 60% of the respondents indicated the banking has a large commercial opportunity. Furthermore, 77% of the respondents indicated that there is a large variety of current and potential rivals in this industry. Also, 61% of the respondents indicated that the banking has a lot of price flexibility. Also, 60% of the respondents indicated that at the moment of market introduction, the company entity faces several impediments to business access. The table also shows that 53% of the respondents indicated that compared to the domestic economy, this industry has a comparable client demand.

The results indicate that banks can distinguish themselves from their rivals by offering distinct and superior value to their customers, which gives them a competitive edge. This advantage allows the bank to outperform its competitors and generate greater profits. Banks may attribute their competitive edge to lower-priced products or services, high-quality offerings, or a unique selling proposition that appeals to a large number of customers. Having a competitive advantage attracts the interest of the bank's target market, resulting in increased sales.

The findings corroborate prior findings that stated that superior value is achieved by charging lower rates for equivalent benefits or by delivering distinctive advantages that outweigh higher pricing (Kiseľáková et al., 2018). Therefore, competitiveness can be characterized as the capacity to convey products and services at the place, form, and time looked for by the proposed clients at costs on a par with or better than different providers while procuring at any rate opportunity costs on assets utilized (Ketels, 2016). Competition encourages managers to consistently improve their efficiency and quality, resulting in greater service delivery.

4.5.2 Descriptive Statistics Regarding Operational Excellence

The study sought to present the comparison in means, frequencies standard deviations and standard errors of the outcomes of operational excellence of competitive advantage of Kenyan commercial banks/lenders.

Table 4.5: Descriptive statistics regarding operational excellence of competitive advantage of Kenyan commercial banks/lenders

Indicators	1	2	3	4	5	Mean	S D
1. The firm has achieved lower production cost per unit	0%	0%	21%	55%	24%	4.03	0.68
2. The firm has achieved the ability to supply low-cost products to the market	0%	11%	29%	42%	18%	3.68	0.90
3. The firm has achieved higher rate of inventory turn-over	5%	5%	32%	11%	47%	3.89	1.23
4. The firm has achieved the ability to supply high quality products to the market	0%	0%	5%	63%	32%	4.26	0.55
5. The firm has achieved reduced number of defective products per production run	11 %	5%	5%	53%	26%	3.32	1.23
6. The firm has achieved reduced number of customer complaints per month	0%	21%	5%	39%	34%	3.87	1.12
7. The firm has achieved the ability to adjust production volume to meet low or high market demand	0%	0%	37%	42%	21%	3.84	0.75
8. The firm has achieved the ability to produce a wide range of products to meet or market requirements	0%	11%	21%	47%	21%	3.79	0.91
9. The firm has achieved the ability to quickly adjust the product mix to meet changes in customer requirements	0%	11%	29%	45%	16%	3.66	0.88
10. The firm has achieved the ability to deliver orders on time	5%	11%	24%	13%	47%	3.87	1.28
11. The firm has achieved ease of order placement by customers	0%	0%	5%	63%	32%	4.26	0.55
Average mean						3.86	0.92

Given the rating of 5(five – agree/yes) – 1(one – disagree/not agreeing)
Source: Research Data (2023)

According to Table 4.5, 79 percent of those surveyed believe the organization has achieved lower manufacturing costs per unit. Similarly, sixty percent of those surveyed said the company had attained the ability to deliver low-cost items to the market. Furthermore, fifty-eight percent of those surveyed said the company has a higher rate of inventory turnover. Furthermore, 95 percent of those polled believe the company has achieved the ability to supply high-quality products to the market. Similarly, 79 percent of those surveyed stated that the company had reduced the amount of damaged goods every manufacturing run.

Similarly, 73 percent of those surveyed stated that the organization had reduced the amount of consumer complaints every month. Furthermore, sixty-three percent of those polled said the company has mastered the ability to adjust the amount of production to meet either high or low demand from the market. Furthermore, sixty-eight percent of those surveyed indicated that the company had demonstrated its capacity to generate a diverse range of goods in order to meet or exceed market demands. According to the table, sixty-one percent of those surveyed believe the business has attained the capacity to swiftly adapt the product mix to match changes in consumer demand. Similarly, sixty percent of those surveyed said the company had mastered the capacity to execute orders on deadline. Furthermore, 95 percent of those surveyed stated that the company accomplished the client's convenience of placing an order.

As a result, operational excellence aids in continual development, allowing firms to achieve greater levels of service and product delivery through improved procedures and standards. This eventually leads to a competitive edge and increased market share in any particular business. Operations management has assisted banks in ensuring that their goods fulfill quality standards and client expectations. The findings corroborate Muazu and Nashehu (2021) who indicated that operations management improves financial institution delivery of services, consumer experience, purchase price and effectiveness, a considerable increase in income and profitability, and gives banks a competitiveness. Bag et al. (2020) also reveal that data analysis managerial competencies have a significant impact on the creation of new green products and the sustainability of supply chain outcomes. Owonte and Jaja (2020) show that the operational excellence plan has a powerful, positive, and considerable impact on consumer contentment. As a result, the study suggests that operational excellence approach has a considerable impact on the performance of vehicle marketing enterprises in Rivers State. Sony (2019) suggested that firms that execute quality management initiatives should thoroughly investigate the impact of these initiatives on societal, economical, and ecological parameters.

4.5.3 Descriptive statistics regarding customer intimacy

The study sought to present the comparison in means, frequencies standard deviations and standard errors of the outcomes of customer intimacy of competitive advantage of Kenyan commercial banks/lenders.

Table 4.6: Descriptive statistics regarding customer intimacy of competitive advantage of Kenyan commercial banks/lenders

Indicators	1	2	3	4	5	Mean	S D
1. We encourage our clients to participate actively in order to obtain common advantages.	0%	0%	16%	53%	32%	4.16	0.68
2. Our organization makes recommendations to improve the well-being of our consumers.	5%	16%	0%	61%	18%	3.71	1.11
3. Feedback from consumers is sought by our company in order to enhance items and innovate.	5%	11%	13%	29%	42%	3.92	1.22
4. Customers see guidance as a sort of social assistance from our company.	0%	0%	42%	26%	32%	3.89	0.86
5. Our company is consistently committed to meeting its clients' expectations.	0%	5%	21%	11%	63%	4.32	0.99
6. Our company is dedicated to maintaining long-term relationships with our clients.	0%	0%	39%	50%	11%	3.71	0.65
7. Our company is offered with items that meet their requirements.	0%	0%	5%	45%	50%	4.45	0.60
8. Our company has a strong reputation, which inspires our consumers to be dedicated.	5%	11%	13%	29%	42%	3.92	1.22
9. Our company believes in its staff and trusts them to provide superior products.	0%	5%	29%	16%	50%	4.11	1.01
10. Our company produces high-quality items that exceed customers' requirements.	0%	0%	5%	45%	50%	4.45	0.60
11. In commercial contacts with consumers, our firm's personnel are forthright in speaking the reality.	18%	16%	13%	18%	34%	3.34	1.55
Average mean						4.00	0.95

Given the rating of 5(five – agree/yes) – 1(one – disagree/not agreeing)
Source: Research Data (2023)

According to Table 4.6, eighty-five percent of participants responded that the company encourages active engagement from our consumers in order to create mutual advantages. Similarly, 79% of respondents felt that the company makes suggestions to increase customer satisfaction. Furthermore, 71 percent of those surveyed stated that the company requests feedback from consumers to improve products and innovation. Furthermore, our consumers view advice as a form of social support, according to fifty-eight percent of participants. Similarly, 74 percent of respondents stated that the company is always committed to fulfilling its agreements with consumers.

Similarly, sixty-one percent of respondents stated that the company is committed to long-term connections with its clients. Furthermore, 95 percent of respondents stated that the firm provides products that meet their expectations. Furthermore, 71% of those surveyed stated that the company has an excellent track record, which advocates our consumer base to be dedicated to them. The table also reveals that sixty-six percent of respondents believe the company has faith in its staff and can depend on them to provide great solutions. Similarly, 95% of those polled said the company produces quality items that fulfill customers' expectations. Furthermore, 52% of those surveyed indicated that the company's staff members are honest in company dealings with consumers.

Treacy and Wiersma's strategy of customer intimacy focuses on providing personalized services and customized products to meet unique customer needs. Banks that implement this strategy have a better understanding of their customers' needs and values, resulting in a more loyal customer base and higher customer lifetime values. This leads to increased word-of-mouth growth and improved metrics. These findings support Mulia et al.'s (2020) research, which suggests that customer satisfaction plays a crucial role in establishing customer loyalty. Specifically, perceived utility, perceived benefits, risk perception, trustworthiness, sharia compliance, and contentment are all factors that contribute to customer allegiance. de Waal and van der Heijden (2016) also indicated that service value provided by staff members; staff functionality to accomplish top quality; compassion of staff toward clients' expectations; responsiveness of staff further towards client requirements; etiquette of staff members towards clients; service method of staff members; and the confidence clients position in staff members enhance customer loyalty and intimacy. Harcourt and Adiele (2020) also demonstrated that the qualities of client satisfaction had a positive influence on customer loyalty. According to the study, client connection adds greatly to customer retention via trustworthiness and dedication.

4.5.4 Descriptive statistics regarding product leadership

The study sought to present the comparison in means, frequencies standard deviations and standard errors of the outcomes of product leadership of competitive advantage of Kenyan commercial banks/lenders.

Table 4.7: Descriptive statistics regarding product leadership of competitive advantage of Kenyan commercial banks/lenders

Indicators	1	2	3	4	5	Mean	S D
1. The leader I'm actually grading is critical in helping their groups to be successful in guiding product advancement.	0%	0%	37%	29%	34%	3.97	0.85
2. While addressing difficulties, the director I am assessing seeks out different points of view.	0%	5%	26%	11%	58%	4.21	1.02
3. The director I'm ranking is eager regarding what has to be done.	0%	0%	11%	61%	29%	4.18	0.61
4. Whenever achievement targets are met, the director I am evaluating lays out what could be expected.	16%	13%	8%	29%	34%	3.53	1.48
5. The director I am evaluating addresses people as a person instead of as a member of the group.	0%	5%	8%	39%	47%	4.29	0.84
6. The director I'm assessing thinks about the virtuous and humane implications of choices.	11%	11%	8%	39%	32%	3.71	1.31
7. The supervisor I am assessing exudes strength and assurance.	13%	5%	47%	11%	24%	3.26	1.27
8. My focus is drawn to shortcomings to achieve requirements by the person I am assessing.	11%	13%	24%	26%	26%	3.45	1.31
9. I am assessing the supervisor because they dislike implementing judgments.	0%	5%	13%	39%	42%	4.18	0.87
10. The facilitator I am ranking provides innovative approaches to completing work.	3%	11%	26%	37%	24%	3.68	1.04
11. The coach I'm assessing takes too long to answer to critical concerns.	11%	0%	16%	45%	29%	3.82	1.18
12. The director I am assessing stresses the necessity of a shared perception of purpose.	8%	16%	21%	32%	24%	3.47	1.25
Average mean						3.81	1.09

Given the rating of 5(five – agree/yes) – 1(one – disagree/not agreeing)

Source: Research Data (2023)

Table 4.7 shows that 63% of the participants indicated that their leaders are critical in helping their groups to be successful in guiding product advancement. Likewise, 69% of the respondents indicated that while addressing difficulties, the director seeks out different points of view. Furthermore, 90% of the respondents indicated that their leaders are eager regarding what has to be done. Also, 63% of the respondents whenever achievement targets are met, their leaders lay out what could be expected. Likewise, 86% of the respondents indicated that their leaders address people as a person instead of as a member of the group. Likewise, 71% of the respondents indicated that their leaders think about the virtuous and humane implications of choices

Furthermore, 71% of the respondents indicated that their leaders are exude strength and assurance. Also, 52% of the respondents indicated that their focus is drawn to shortcomings to achieve requirements by their leaders. The table also shows that 81% of the respondents indicated that their leaders dislike implementing judgments. Likewise, 61% of the respondents indicated their leaders provide innovative approaches to completing work. Furthermore, 74% of the respondents indicated that their leaders take too long to answer to critical concerns. The table also shows that 56% of the respondents indicated that their leaders stress the necessity of a shared perception of purpose.

Therefore, as a competitive strategy, product leadership focuses on creating a culture in which your organization consistently produces excellent goods to the market. This technique lets your organization to reach premium market pricing by providing consumers with a one-of-a-kind experience. Creativity, problem solving, and cooperation are critical success elements in this technique.

The findings corroborate those of Islami et al. (2021) that cost leadership and differentiation have a positive and substantial influence on competitiveness, but the effect of product dominance and diversity on competitiveness is stronger. Islami et al. (2020) stated that adopting differentiation strategy improves company performance more than two other Porter's generic approaches (low-cost approach or focus approach), both of which have a favorable influence. Simiyu and Makhamara (2020) also show that persistent innovation, leadership effectiveness, critical resources, and product uniqueness for leadership have a positive influence on G4S, Kenya's competitiveness. Samsir (2018) discovered that leadership perspective has a major impact on creativity. Higher levels of governance will lead to greater levels of creativity. Innovation has a tremendous impact on competitiveness.

4.6 Diagnostic analysis

4.6.1 Normality Test

The criteria for normal distribution is that the probability value (sig) must exceed 0.05.

Table 4.8: Normality Results

Tests of Normality	Statistic	df	Sig.	Statistic	df	Sig.
Firm Size	0.115	38	0.200	0.975	38	0.528
Firm Readiness	0.113	38	0.200	0.967	38	0.307
Perceived Benefits	0.136	38	0.074	0.949	38	0.080
Perceived Barriers	0.108	38	0.200	0.980	38	0.714

a Lilliefors Significance Correction
Source: Research Data (2023)

Based on the study, it was observed that all the data points met this requirement, indicating that they are normally distributed.

4.6.2 Linearity Test

Correlation matrix was used to determine if there is a proportional/linear link among two data set. Before applying multiple regression, it is assumed that the connection between variables would be reasonably straight.

Table 4.9: Correlation Matrix for Linearity Test

Correlations		Competitive Advantage	Operational Excellence	Customer Intimacy	Product Leadership
Competitive Advantage	R	1			
Operational Excellence	R	.652**	1		
Customer Intimacy	R	.634**	0.272	1	
Product Leadership	R	.758**	.483**	.539**	1

Source: Research Data (2023)

Table 4.9 shows that there is a positive linearity between the study variables, thus meeting the OLS model assumption.

4.6.3 Multicollinearity

Multicollinearity was tested via the variance inflation factor (Table 4.10).

Table 4.10: Collinearity Statistics

Variables	Tolerance	VIF
Operational Excellence	0.766	1.305
Customer Intimacy	0.709	1.411
Product Leadership	0.587	1.704

Source: Research Data (2023)

Table 4.10 displays the results of the VIF, which were found to be below 10 and the tolerance levels were above 0.2. These findings suggest that Multicollinearity, as indicated by Miles (2014), was effectively reduced.

4.6.4 Heteroscedasticity Test

Heteroscedasticity was tested using the scatter plot below

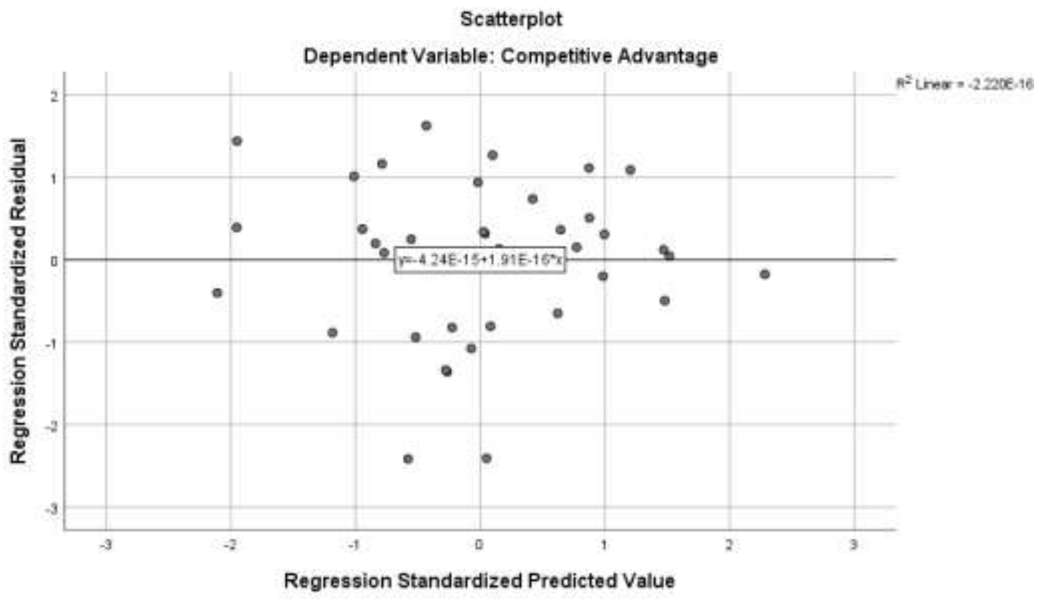

Figure 4.4: Scatter plot of the study residuals

Source: Research Data (2023)

The results indicate that the error variance was constant since the regression line was representative of the residuals.

4.7 Inferential statistics

4.7.1 Correlation Analysis

This measure of association was done using the Pearson correlation coefficient denotated by **r**.

Table 4.11: Association/Correlation between value disciplines and competitive advantage of Kenyan commercial banks/lenders

Correlations		Competitive Advantage	Operational Excellence	Customer Intimacy	Product Leadership
Competitive Advantage	R	1			
	P-value				
Operational Excellence	R	.652**	1		
	P-value	0.000			
Customer Intimacy	R	.634**	0.272	1	
	P-value	0.000	0.099		
Product Leadership	R	.758**	.483**	.539**	1
	P-value	0.000	0.002	0.000	

** Correlation is significant at the 0.01 level (2-tailed).

Source: Research Data (2023)

According to Table 4.11, there is a directional and substantial/significant association (r=0.652**, p=0.000) amongst operational excellence and Kenyan commercial banks' competitive edge. Muazu and Nashehu (2021) also acknowledges that operations management improves financial institution delivery of services, consumer experience, purchase price and effectiveness, a considerable increase in income and profitability, and gives banks competitiveness. Bag et al. (2020) also reveal that data analysis managerial competencies have a significant impact on the creation of new green products and the sustainability of supply chain outcomes.

The results further show that customer intimacy and the competitive advantage of Kenyan commercial banks/lenders have a directional and substantial/significant association (r=0.634**, p=0.000). Mulia et al. (2020) also acknowledges that customer satisfaction influences not just the establishment of customer devotion, but also the criteria that influence customer allegiance, such as perceived utility, perceived benefits, risk perception, trustworthiness, sharia compliance, and contentment. Harcourt and Adiele (2020) also demonstrated that the qualities of client satisfaction had a positive influence on customer loyalty. According to the study, client connection adds greatly to customer retention via trustworthiness and dedication. Nora (2019) along the same vein, discovered that having a high level of consumer awareness might lead to increased client satisfaction, which leads to increased buy back desire. According to the mediation test, excellent client awareness, backed up by greater consumer empathy, can indirectly promote high buying back willingness.

The results further show that product leadership and the competitive advantage of Kenyan commercial banks/lenders have a directional and substantial/significant association (r= 0.758**, p=0.0.00). Islami et al. (2021) also acknowledges that cost leadership and differentiation have a positive and substantial influence on competitiveness, but the effect of product dominance and diversity on competitiveness is stronger. Islami et al. (2020) stated that adopting differentiation strategy improves company performance more than two other Porter's generic approaches (low-cost approach or focus approach), both of which have a favorable influence. Simiyu and Makhamara (2020) also show that persistent innovation, leadership effectiveness, critical resources, and product uniqueness for leadership have a positive influence on G4S, Kenya's competitiveness. Samsir (2018) discovered that leadership perspective has a major impact on creativity. Higher levels of governance will lead to greater levels of creativity. Innovation has a tremendous impact on competitiveness.

4.7.2 Relationship between value disciplines and competitive advantage of Kenyan commercial banks/lenders

Table 4.12: Value disciplines' fitness model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.866a	0.750	0.728	0.133

Source: Research Data (2023)

Table 4.13 indicates that the operational excellence, customer intimacy and product leadership are essential predictors of competitiveness of Kenyan Banks. This has been evidenced by an R squared of 0.750 indicating that the value disciplines explain 75.0% of the outcomes of competitiveness of the lenders in Kenya. Therefore, the findings are an indication that the Kenyan commercial banks/lenders have implemented various aspects of the value disciplines which has helped them to stay competitive in the market. However, there are certain aspects covered by the remaining 25.0% which have not been implemented by the Kenyan commercial banks/lenders that might be suggested to them to improve the market performance further.

The advantage has been attributed to the appreciation of the following: performance management, organizational culture, organizational excellence, process excellence, customer intimacy, product adoption, customer churn, relationship building, customer engagement, product leadership, perceived value, perceived quality, product positioning and product pricing. Given the contribution of the value disciplines to the competitiveness, the study noted that there is still room for improvement as indicated by 25% which forms a recommendation for the current study towards the competitive advantage of Kenyan commercial banks/lenders.

The findings agree with Muazu and Nashehu (2021) that operations management improves financial institution delivery of services, consumer experience, purchase price and effectiveness, a considerable increase in income and profitability, and gives banks competitiveness. Nora (2019) along the same vein, discovered that having a high level of consumer awareness might lead to increased client satisfaction, which leads to increased buy back desire. According to the mediation test, excellent client awareness, backed up by greater consumer empathy, can indirectly promote high buying back willingness. Islami et al. (2020) stated that adopting differentiation strategy improves company performance more than two other Porter's generic approaches (low-cost approach or focus approach), both of which have a favorable influence. Simiyu and Makhamara (2020) also show that persistent innovation, leadership effectiveness, critical resources, and product uniqueness for leadership have a positive influence on G4S, Kenya's competitiveness.

Table 4.13: Value disciplines' ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.806	3	0.602	33.988	.000b
Residual	0.602	34	0.018		
Total	2.409	37			

Source: Research Data (2023)

Likewise, ANOVA proved that there is a statistically proven interaction with the value disciplines and the competitiveness of Kenyan Banks.

Table 4.14: Model Coefficients (β) for value disciplines

Variable	β	Std. Error	Beta	t	Sig.
(Constant)	0.276	0.371		0.743	0.462
Operational Excellence	0.342	0.091	0.369	3.767	0.001
Customer Intimacy	0.247	0.081	0.312	3.06	0.004
Product Leadership	0.359	0.098	0.411	3.673	0.001

Source: Research Data (2023)

From the regression of coefficients, it was confirmed that operational excellence has a directional/positive and statistically significant connection with competitiveness of Kenyan Banks (**β**=0.342, p=0.000). The findings agree with Owonte and Jaja (2020) show that the operational excellence plan has a powerful, positive, and considerable impact on consumer contentment. As a result, the study suggests that operational excellence approach has a considerable impact on the performance of vehicle marketing enterprises in Rivers State. Sony (2019) suggested that firms that execute quality management initiatives should thoroughly investigate the impact of these initiatives on societal, economical, and ecological parameters.

It was also confirmed that customer intimacy has a directional/positive and statistically significant connection with competitiveness of Kenyan Banks (**β**=0.247, p=0.000). The findings are consistent with Mulia et al. (2020) that customer satisfaction influences not just the establishment of customer devotion, but also the criteria that influence customer allegiance, such as perceived utility, perceived benefits, risk perception, trustworthiness, sharia compliance, and contentment. Harcourt and Adiele (2020) also demonstrated that the qualities of client satisfaction had a positive influence on customer loyalty. According to the study, client connection adds greatly to customer retention via trustworthiness and dedication. Nora (2019) along the same vein, discovered that having a high level of consumer awareness might lead to increased client satisfaction, which leads to increased buy back desire. According to the mediation test, excellent client awareness, backed up by greater consumer empathy, can indirectly promote high buying back willingness.

Likewise, the findings indicated that product leadership has a directional/positive and statistically significant connection with competitiveness of Kenyan Banks (**β**=0.359, p=0.000). Islami et al. (2021) also noted that cost leadership and differentiation have a positive and substantial influence on competitiveness, but the effect of product dominance and diversity on competitiveness is stronger. Islami et al. (2020) stated that adopting differentiation strategy improves company performance more than two other Porter's generic approaches (low-cost approach or focus approach), both of which have a favorable influence. Simiyu and Makhamara (2020) also show that persistent innovation, leadership effectiveness, critical resources, and product uniqueness for leadership have a positive influence on G4S, Kenya's competitiveness. Samsir (2018) discovered that leadership perspective has a major impact on creativity. Higher levels of governance will lead to greater levels of creativity. Innovation has a tremendous impact on competitiveness.

The model is thus empirical as shown below:

$$Y= 0.276 + 0.342X_1 + 0.247X_2\ 0.359X_3 + e$$

Where:

Y= Competitiveness/competitive advantage

X_1 = Operational excellence

X_2 = Customer intimacy

X_3= Product leadership

e = Error value

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This is the final chapter of the thesis in which the findings, as well as the whole thesis, are summarized. Generalizations in the form of findings have been produced, and recommendations for resolving problems identified in the study have been communicated to various stakeholders involved. This section has been developed in line with the study objectives in a bid to answer the research questions, solve the research problem and offer practical and policy contributions.

5.2 Summary of Findings

The section provides critical information regarding the most significant treatment outcomes, such as the best effect estimate and the confidence of the evidence for each outcome.

From the descriptive results, it was revealed that operational excellence aids in continual development, allowing firms to achieve greater levels of service and product delivery through improved procedures and standards. This eventually leads to a competitive edge and increased market share in any particular business. Operations management has assisted banks in ensuring that their goods fulfill quality standards and client expectations. The correlation matrix revealed that excellence in operations and the competitive edge of Kenyan lenders had a direct highly significant relationship ($r=0.652^{**}$, $p=0.000$). The regression of coefficients indicated that excellence in operation has a significant and relationship with the competitive edge of Kenyan lenders ($\boldsymbol{\beta}=0.342$, $p=0.000$). This implies that increases in one unit of outstanding operational aspects translate into a 0.342 unit shift in Kenyan lenders' competitive edge.

From the descriptive results, it was revealed that the strategy of customer intimacy focuses on providing personalized services and customized products to meet unique customer needs. Banks that implement this strategy have a better understanding of their customers' needs and values, resulting in a more loyal customer base and higher customer lifetime values. This leads to increased word-of-mouth growth and improved metrics. The correlation matrix revealed a linear notable relationship between customer intimacy and the competitive edge of Kenyan lenders (r=0.634**, p=0.000). Similarly, the outcomes of the coefficient regression suggested that customer intimacy has a linear and considerable/significant relationship with the competitive advantage of Kenyan lenders (**β**=0.247, p=0.000). This implies that gains in a single unit of customer intimacy result in a 0.247-unit shift in the competitive edge of Kenyan lenders.

From the descriptive results, it was revealed that that banks can distinguish themselves from their rivals by offering distinct and superior value to their customers, which gives them a competitive edge. This advantage allows the bank to outperform its competitors and generate greater profits. Banks may attribute their competitive edge to lower-priced products or services, high-quality offerings, or a unique selling proposition that appeals to a large number of customers. Having a competitive advantage attracts the interest of the bank's target market, resulting in increased sales. The correlation matrix revealed a linear notable relationship between product leadership and the competitive edge of Kenyan lenders (r= 0.758**, p=0.0.00). Similarly, the outcomes of the coefficient regression suggested that product leadership has a linear and considerable/significant relationship with the competitive advantage of Kenyan lenders (**β** =0.359, p=0.000). This implies that gains in a single unit of product leadership result in a 0.359-unit shift in the competitive edge of Kenyan lenders.

5.3 Conclusion of the Study

The research provides strong evidence that the value disciplines examined in this study – operational excellence, customer intimacy, and product leadership – have a positive and significant impact on the competitive advantage of lenders in Kenya. These strategies have helped reduce costs, counter competitive threats, and capitalize on market opportunities, all contributing to the lenders' competitive advantage in Kenya.

The values disciplines have helped the lenders to achieve lower production cost per unit. Likewise, it has been concluded that the values disciplines help firms to achieve the ability to quickly adjust the product mix to meet changes in customer requirements and to deliver orders on time. Likewise, by implementing the approaches of the value disciplines, firms allow active participation from our customers in order to achieve mutual benefits. This helps them to commit to stable relationships with our customers. Firms have also been concluded to provide quality products to meet customer's expectations.

Leadership is also key in influencing firm performance. Leaders are critical in helping their groups to be successful in guiding product advancement. That is the development of a product or service that is recognized as unique in its sector. Product figureheads acquire premium market pricing as a result of the experience they provide to their clients. Product figureheads understand that innovation, problem solving, and cooperation are crucial to their success. Because of this reliance on expensive people, product leaders aim to utilize their experience across territorial and corporate barriers by understanding aspects such as teamwork and organizational learning.

Thus, the disciplines of operational excellence place a premium on improving the development and distribution of goods and services. This leads in goods or services that are dependable, competitively priced, and provided with little hassle or annoyance. Product leadership worth concentrates on providing consumers with cutting-edge products and services that constantly improve the client's usage or implementation of the item, rendering competing goods outdated. Customer intimacy relies on consumer interaction separate their target audiences accurately and then design their offers to closely fit the wants of those segments.

5.4 Recommendations of the Study

It has been recommended that having a high level of consumer awareness might lead to increased client satisfaction, which leads to increased buy back desire. Thus, recommendations are emphasized on the need for banking institutions to improve awareness and participation of customers in their operations to improve loyalty and satisfaction.

The findings also recommend continuous and persistent innovation of products to help in the advancement and maintaining a competitive edge in the industry. Having superior products imply that the banks are able to maintain and attract a specific group of customers whom to the banks, ensure consistent sales and returns.

The study also suggests to the operations management to continuously improve the financial institution delivery of services, consumer experience, purchase price and effectiveness, a considerable increase in income and profitability, and gives banks a competitiveness. Sustainable distribution chain effectiveness is affected by learning and innovation efficiency, and supply chain intellectual capital plays an essential moderating function.

5.5 Contribution of the Study to Knowledge

The findings highlight the positive and statistically significant relationships between these factors, as indicated by the beta coefficients and p-values. The study confirms that operational excellence has a positive and significant connection with the competitive advantage of Kenyan commercial banks/lenders. This suggests that banks that excel in their operational processes and efficiency are more likely to gain a competitive advantage in the industry. This finding contributes to knowledge by emphasizing the importance of operational excellence in enhancing the competitive position of banks.

The study establishes a positive and significant relationship between customer intimacy and the competitive advantage of Kenyan commercial banks/lenders. This implies that banks that prioritize building strong customer relationships, understanding customer needs, and delivering personalized services are more likely to achieve a competitive advantage. This finding contributes to knowledge by highlighting the role of customer-centric strategies in gaining a competitive edge in the banking sector.

The study reveals a positive and significant connection between product leadership and the competitive advantage of Kenyan commercial banks/lenders. This suggests that banks that focus on developing innovative products, offering unique value propositions, and staying ahead in terms of product offerings are more likely to attain a competitive advantage. This finding contributes to knowledge by emphasizing the importance of product innovation and differentiation for achieving a competitive edge in the banking industry.

Overall, the study contributes to the existing knowledge by empirically and theoretically demonstrating the positive and significant relationships between operational excellence, customer intimacy, product leadership, and the competitive advantage of Kenyan commercial banks/lenders. These findings provide insights for bank managers, policymakers, and researchers in understanding the key drivers of competitive advantage in the specific context of the Kenyan banking sector. The study's contribution lies in enhancing the understanding.

5.6 Further Research Areas

The focus of the current study was on the relationship between value discipline and competitiveness: taxonomy of the lenders in Kenya. The findings indicated that operational excellence, customer intimacy and product leadership explain 75.0% of the outcomes of competitiveness of the lenders in Kenya. However, there are certain aspects covered by the remaining 25.0% which have not been implemented by the lenders in Kenya that might be suggested to them to improve the competitiveness of the lenders further. Thus, the present study offers room for further studies where future scholars can extrapolate from the findings to seek to find out if the value disciplines can cover the 25% in other contexts.

REFERENCES

Ajzen, I. (1991). The theory of planned behavior. *Organizational behavior and human decision processes*, *50*(2), 179-211.

Al Nsour, H. I., & Tayeh, B. K. A. (2018). The impact of talent management on Competitive advantage in Commercial banks in Jordan from the point of view of banks' employees. *Arab Economic and Business Journal*, *13*(1), 60-72.

Amit, R., & Schoemaker, P. J. (1993). Strategic assets and organizational rent. *Strategic management journal*, *14*(1), 33-46.

Arevalo, M., & Brown, L. D. (2019). Using a reasoned action approach to identify determinants of organized exercise among Hispanics: a mixed-methods study. *BMC public health*, *19*(1), 1-10.

Arshed, N., & Pancholi, J. (2016). Porter's Five Forces. *Enterprise and its Business Environment*.

Assensoh-Kodua, A. (2019). The resource-based view: a tool of key competency for competitive advantage. *Problems and Perspectives in Management*, *17*(3), 143.

Austine, O. O. (2020). *Competitive Strategies and Performance of Insurance Companies in Kenya*. (Unpublished Doctoral Thesis, Kenyatta University).

Bag, S., Wood, L. C., Xu, L., Dhamija, P., & Kayikci, Y. (2020). Big data analytics as an operational excellence approach to enhance sustainable supply chain performance. *Resources, Conservation and Recycling*, *153*, 104559.

Baker, C. (2017). Quantitative research designs: Experimental, quasi-experimental, and descriptive. Evidence-based practice: *An integrative approach to research, administration, and practice*, 155-183.

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of management*, *17*(1), 99-120.

Barney, J. B., & Hesterly, W. S. (2010). *Strategic management and competitive advantage: Concepts* (p. 408). Englewood Cliffs, NJ: Prentice Hall.

Bel, R. (2018). A property rights theory of competitive advantage. *Strategic Management Journal*, *39*(6), 1678-1703.

Bera, A. K., & Jarque, C. M. (1981). Efficient tests for normality, homoscedasticity and serial independence of regression residuals: Monte Carlo evidence. *Economics letters*, *7*(4), 313-318.

Bleady, A., Ali, A. H., & Ibrahim, S. B. (2018). Dynamic capabilities theory: pinning down a shifting concept. *Academy of Accounting and Financial Studies Journal*, *22*(2), 1-16.

Bleady, A., Ali, A. H., & Ibrahim, S. B. (2018). Dynamic capabilities theory: pinning down a shifting concept. *Academy of Accounting and Financial Studies Journal*, *22*(2), 1-16.

Bloomfield, J., & Fisher, M. J. (2019). Quantitative research design. *Journal of the Australasian Rehabilitation Nurses Association*, 22(2), 27-30.

Borys, B., & Jemison, D. B. (1989). Hybrid arrangements as strategic alliances: Theoretical issues in organizational combinations. *Academy of management review*, *14*(2), 234-249.

Burns, M. E., Farris, K. L., Paz, M., & Dyhre, S. (2021). Thriving Instead of Surviving: The Role of the Reasoned Action Model in Assessing the Basic Course. *Basic Communication Course Annual*, *33*(1), 12.

Carvalho, A. M., Sampaio, P., Rebentisch, E., & Saraiva, P. (2021). 35 years of excellence, and perspectives ahead for excellence 4.0. *Total Quality Management & Business Excellence*, *32*(11-12), 1215-1248.

CBK. (2020). *Banking Sector Innovation Survey 2020*. https://www.centralbank.go.ke/uploads/banking_sector_reports/1232186390_Banking%20Sector%20Innovation%20Survey%202020.pdf

Cronbach, L. J., & Meehl, P. E. (1955). Construct validity in psychological tests. *Psychological bulletin*, *52*(4), 281.

Dannels, S. A. (2018). Research design. In The reviewer's guide to quantitative methods in the social sciences (pp. 402-416). Routledge.

Das, T. K., & Teng, B. S. (2000). A resource-based theory of strategic alliances. *Journal of management*, *26*(1), 31-61.

Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 319-340.

de Mast, J., Does, R. J., Lameijer, B. A., & Lokkerbol, J. (2022). *Operational Excellence with Lean Six Sigma: Handbook for Implementing Process Improvement with Lean Six Sigma*. Van Haren.

de Vet, H. C., Mokkink, L. B., Mosmuller, D. G., & Terwee, C. B. (2017). Spearman–Brown prophecy formula and Cronbach's alpha: different faces of reliability and opportunities for new applications. *Journal of Clinical Epidemiology*, *85*, 45-49.

de Waal, A., & van der Heijden, B. (2016). Increasing customer loyalty and customer intimacy by improving the behavior of employees. *Journal of Strategy and Management*. 9(4), pp. 492-510. https://doi.org/10.1108/JSMA-06-2015-0045

Donnellan, J., & Rutledge, W. L. (2019). A case for resource- based view and competitive advantage in banking. *Managerial and Decision Economics*, *40*(6), 728-737.

Ferreira, J., Coelho, A., & Moutinho, L. (2020). Dynamic capabilities, creativity and innovation capability and their impact on competitive advantage and firm performance: The moderating role of entrepreneurial orientation. *Technovation*, *92*, 102061.

Fishbein, M., Jaccard, J., Davidson, A. R., Ajzen, I., & Loken, B. (1980). Predicting and understanding family planning behaviour. *Understanding attitudes and predicting social behaviour*. Prentice-Hall.

Fowler Jr, F. J. (2013). *Survey research methods*. Sage publications. http://rtvc-assets-qa-sistemasenalcolombia.gov.co.s3.amazonaws.com/webform/pdf-survey-research-methods-applied-social-research-methods-floyd-j-fowler-pdf-download-free-book-342990c.pdf

Galvin, P., Rice, J., & Liao, T. (2014). Applying a Darwinian model to the dynamic capabilities view. *Journal of Management & Organization*. 20(2), 250-263.

Gillmore, M. R., Archibald, M. E., Morrison, D. M., Wilson, A., Wells, E. A., Hoppe, M. J., ... & Murowchick, E. (2002). Teen sexual behaviour: Applicability of the theory of reasoned action. *Journal of Marriage and Family*, *64*(4), 885-897.

Gogtay, N. J., & Thatte, U. M. (2017). Principles of correlation analysis. *Journal of the Association of Physicians of India*, *65*(3), 78-81.

Golub, S. (1995). *Comparative and absolute advantage in the Asia-Pacific region* (No. 95-09). Federal Reserve Bank of San Francisco.

Grant, R. M. (1991). The resource-based theory of competitive advantage: implications for strategy formulation. *California management review*, *33*(3), 114-135.

Haas, M. R., & Hansen, M. T. (2005). When using knowledge can hurt performance: The value of organizational capabilities in a management consulting company. *Strategic management journal*, *26*(1), 1-24.

Habryn, F., Blau, B., Satzger, G., & Kölmel, B. (2010, February). Towards a model for measuring customer intimacy in B2B services. In *International Conference on Exploring Services Science* (pp. 1-14). Springer, Berlin, Heidelberg.

Hadi, N. U., Abdullah, N., & Sentosa, I. (2016). An easy approach to exploratory factor analysis: Marketing perspective. *Journal of Educational and Social Research*, *6*(1), 215-215.

Hale, J. L., Householder, B. J., & Greene, K. L. (2002). The theory of reasoned action. *The persuasion handbook: Developments in theory and practice*, *14*, 259-286.

Haltia, L. (2021). *Customer Intimacy and Key Account Management: building the foundation for B2B Customer Experience.* (Unpublished Master's Thesis, Åbo Akademi University)

Hanusz, Z., & Tarasińska, J. (2015). Normalization of the Kolmogorov–Smirnov and Shapiro–Wilk tests of normality. *Biometrical Letters*, *52*(2), 85-93.

Haque, M. G., Munawaroh, M., Sunarsi, D., & Baharuddin, A. (2021). Competitive Advantage in Product Leadership and Differentiation of SMEs "Bakoel Zee" Marketing Strategy in BSD. *PINISI Discretion Review*, *4*(2), 277-284.

Harcourt, H., & Adiele, K. C. (2020). Customer intimacy adoption and customer retention: a study of bakery firms in Rivers State of Nigeria. *Int J Social Sci Manag Res*, *6*(2), 27-34.

Hessels, J., & Terjesen, S. (2010). Resource dependency and institutional theory perspectives on direct and indirect export choices. *Small business economics*, *34*(2), 203-220.

Hosseini, Z., Gharghani, Z. G., Mansoori, A., Aghamolaei, T., & Nasrabadi, M. M. (2015). Application of the theory of reasoned action to promoting breakfast consumption. *Medical journal of the Islamic Republic of Iran*, *29(11)*, 289 – 297.

Hutcheson, G. D., & Sofroniou, N. (1999). *The multivariate social scientist: Introductory statistics using generalized linear models*. Sage.

Islami, X., Mustafa, N., & Latkovikj, M. T. (2020). Linking Porter's generic strategies to firm performance. *Future Business Journal*, *6*(1), 1-15.

Jain, S., & Angural, V. (2017). Use of Cronbach's alpha in dental research. *Medico Research Chronicles*, *4*(03), 285-291.

Kang, S., & Na, Y. K. (2020). Effects of strategy characteristics for sustainable competitive advantage in sharing economy businesses on creating shared value and performance. *Sustainability*, *12*(4), 1 - 21. https://doi.org/10.3390/su12041397

Kaouthar, L. (2020). TQM and Six Sigma: A Literature Review of Similarities, Dissimilarities and Criticisms. *Journal of Management and Economic Studies*, *2*(4), 198-226.

Kistin, C., & Silverstein, M. (2015). Pilot studies: a critical but potentially misused component of interventional research. *Jama*, *314*(15), 1561-1562.

Kor, Y. Y., & Mahoney, J. T. (2004). Edith Penrose's (1959) contributions to the resource- based view of strategic management. *Journal of management studies*, *41*(1), 183-191.

Kryscynski, D., Coff, R., & Campbell, B. (2021). Charting a path between firm- specific incentives and human capital- based competitive advantage. *Strategic Management Journal*, *42*(2), 386-412.

Kuckertz, A., & Brändle, L. (2021). Creative reconstruction: a structured literature review of the early empirical research on the COVID-19 crisis and entrepreneurship. *Management Review Quarterly*, 1-27.

Kung'u, P., & Machuki, V. (2016). An Analysis of The Effect of Competitive Strategies On Performance: A Survey of MFIS In Kenya. *Journal of Business and Strategic Management*, 1(2), 2520-0402.

Lavrakas, P. J. (2008). *Encyclopedia of survey research methods*. Sage publications.

Long, C., & Vickers-Koch, M. (1995). Using core capabilities to create competitive advantage. *Organizational dynamics*, *24*(1), 7-22.

Ludwig, Gregory, Pemberton, & Jon. (2011). A managerial perspective of dynamic capabilities in emerging market. *Journal of East European Management Studies*, 3(16), 215–236. doi:10.5771/0949-6181-2011-3-215

Madhani, P. M. (2010). Resource based view (RBV) of competitive advantage: an overview. *Resource based view: concepts and practices, Pankaj Madhani, ed*, 3-22.

Mahdi, O. R., & Nassar, I. A. (2021). The business model of sustainable competitive advantage through strategic leadership capabilities and knowledge management processes to overcome covid-19 pandemic. *Sustainability*, *13*(17), 9891.

McColl-Kennedy, J. R., Zaki, M., Lemon, K. N., Urmetzer, F., & Neely, A. (2019). Gaining customer experience insights that matter. *Journal of Service Research*, *22*(1), 8-26.

Mishra, D., Akman, I., & Mishra, A. (2014). Theory of reasoned action application for green information technology acceptance. *Computers in human behaviour*, *36*, 29-40.

Muazu, M. H., & Nashehu, H. H. (2021). Operational Excellence and Commercial Banking Performance: A Competitive Advantage Opportunity. *Journal of Technology Management and Business*, *8*(1), 28-34.

Mulia, D., Usman, H., & Parwanto, N. B. (2020). The role of customer intimacy in increasing Islamic bank customer loyalty in using e-banking and m-banking. *Journal of Islamic Marketing*.

Nabi, R. L., & Riddle, K. (2008). Personality traits, television viewing, and the cultivation effect. *Journal of Broadcasting & Electronic Media*, *52*(3), 327-348.

Nadler, D., Tushman, M., Tushman, M. L., & Nadler, M. B. (1997). *Competing by design: The power of organizational architecture*. Oxford University Press.

Nirel, R., & Glickman, H. (2009). Sample surveys and censuses. In *Handbook of statistics* (Vol. 29, pp. 539-565). Elsevier.

Nora, L. (2019). Testing customer's knowledge on customer intimacy and its impact on repurchase intention. *VINE Journal of Information and Knowledge Management Systems*. 49(4), pp. 594-608. https://doi.org/10.1108/VJIKMS-03-2019-0041

Nyauncho, M. J., & Nyamweya, I. N. (2015). Assessment of the effect of cost leadership strategy on the performance of Liquefied Petroleum Gas Companies in Eldoret town, Uasin Gishu County, Kenya. *International Journal of Business and Management Invention*, *4*(4), 1-7.

Ogden, J. (2003). Some problems with social cognition models: A pragmatic and conceptual analysis. *Health psychology*, *22*(4), 424.

Onyango, J. J. (2017). *Influence of Cost Leadership, Differentiation and Focus Strategies on Firm Competiveness: The Case of Boc Kenya Limited* (Doctoral dissertation, United States International University-Africa).

Osborne, J. W., & Waters, E. (2002). Four assumptions of multiple regression that researchers should always test. *Practical assessment, research, and evaluation*, *8*(1), 1 - 5. https://doi.org/10.7275/r222-hv23

Otieno, O. C., Liyala, S., Odongo, B. C., & Abeka, S. O. (2016). Theory of reasoned action as an underpinning to technological innovation adoption studies.

Ouma, A. M. (2018). *Influence of value disciplines strategy on the management of efficiency levels in the pharmaceutical industry in Kenya* (Doctoral dissertation, JKUAT).

Owonte, L. H., & Jaja, H. I. (2020). Operational Excellence Strategy and Organizational Performance of Automobile Marketing Firms in Rivers State. *International Academic Journal of Management and Marketing* 6(6), 98-111.

Pallant, J. (2013). *SPSS survival manual*. McGraw-hill education (UK).

Park, C. G., & Lee, K. E. (2014). A linearity test statistic in a simple linear regression. *Journal of the Korean Data and Information Science Society*, *25*(2), 305-315.

Parker, S., & Gallivan, C. (2011). Sampling versus census: A comparative analysis. Retrieved at: https://www.hr.com/en/app/media/resource/_hcoegz03.deliver?&layout=og.pdf&mode=download

Penrose, E., & Penrose, E. T. (2009). *The Theory of the Growth of the Firm*. Oxford university press.

Porter, M. E. (1979). The structure within industries and companies' performance. *The review of economics and statistics*, 214-227.

Porter, M. E. (1998). *Competitive strategy; Techniques for analyzing industries and competitors.* The Free Press, New York.

Potgieter, A., & Roodt, G. (2004). Measuring a customer Intimacy Culture in a value discipline context. *Journal of Human Resource Management*, 25-31.

Putra, Y. S. (2018). Analysis of Differentiation Strategies to Create Competitive Advantages in Facing Global Markets. *KnE Social Sciences*, 254-269.

Raja, J. Z., Frandsen, T., Kowalkowski, C., & Jarmatz, M. (2020). Learning to discover value: Value-based pricing and selling capabilities for services and solutions. *Journal of Business Research*, *114*, 142-159.

Razali, N. M., & Wah, Y. B. (2011). Power comparisons of shapiro-wilk, kolmogorov-smirnov, lilliefors and anderson-darling tests. *Journal of statistical modeling and analytics*, *2*(1), 21-33.

Salmerón, R., García, C. B., & García, J. (2018). Variance inflation factor and condition number in multiple linear regression. *Journal of Statistical Computation and Simulation*, *88*(12), 2365-2384.

Samsir, S. (2018). The effect of leadership orientation on innovation and its relationship with competitive advantages of small and medium enterprises in Indonesia. *International Journal of Law and Management,* 60(2), pp. 530-542. https://doi.org/10.1108/IJLMA-01-2017-0005.

Sánchez-Gutiérrez, J., Cabanelas, P., Lampón, J. F., & González-Alvarado, T. E. (2019). The impact on competitiveness of customer value creation through relationship capabilities and marketing innovation. *Journal of Business & Industrial Marketing*.

Santosa, M. (2016). The Power of Product Leadership in Generating Customers' Intentions to Buy: The Case of Dagadu. *Journal of Indonesian Economy and Business*. 29(1). 10.22146/jieb.9964.

Santosa, M. S. E. (2015). The Power of Product Leadership In Generating Customers' intentions To Buy: The Case Of Dagadu. *Journal of Indonesian Economy and Business: JIEB.*, *30*(2), 159.

Santosa, M. S. E. (2015). The Power of Product Leadership in Generating Customers' intentions to Buy: The Case of Dagadu. *Journal of Indonesian Economy and Business: Jieb.*, *30*(2), 159.

Schober, P., Boer, C., & Schwarte, L. A. (2018). Correlation coefficients: appropriate use and interpretation. *Anesthesia & Analgesia*, *126*(5), 1763-1768.

Shepherd, R., & Towler, G. (2007). Nutrition knowledge, attitudes and fat intake: application of the theory of reasoned action. *Journal of human nutrition and dietetics: the official journal of the British Dietetic Association*, *20*(3), 159-169.

Sheppard, B. H., Hartwick, J., & Warshaw, P. R. (1988). The theory of reasoned action: A meta-analysis of past research with recommendations for modifications and future research. *Journal of consumer research*, *15*(3), 325-343.

Simiyu, A. J., & Makhamara, F. (2020). Strategic Positioning and Competitive Advantage at G4S Kenya. *International Journal of Innovative Social Sciences & Humanities Research* 8(4):1-19

Simon, M., & Goes, J. (2016). *Reliability and validity in qualitative studies* (Doctoral dissertation, Dissertation).

Sirmon, D. G., & Hitt, M. A. (2003). Managing resources: Linking unique resources, management, and wealth creation in family firms. *Entrepreneurship theory and practice*, *27*(4), 339-358.

Siudek, T., & Zawojska, A. (2014). Competitiveness in the economic concepts, theories and empirical research. *Acta Scientiarum Polonorum. Oeconomia*, *13*(1).

Smith, A. (1776). An Inquiry into the Nature and Causes of the Wealth of Nations. Book V, Chapter 3, Article III: Of Public Debts

Smith, A. N., Rossi, P. E., & Allenby, G. M. (2019). Inference for product competition and separable demand. *Marketing Science*, *38*(4), 690-710.

Sony, M. (2019). Implementing sustainable operational excellence in organizations: an integrative viewpoint. *Production & Manufacturing Research*, *7*(1), 67-87.

Sproul, C. R. (2017). Clarifying Resource Dependence: A Multi-Dimensional Approach to Dependence and Autonomy in Entrepreneurial Firms.

Tanwar, R. (2013). Porter's generic competitive strategies. *Journal of business and management*, *15*(1), 11-17.

Taylor, R. (1990). Interpretation of the correlation coefficient: a basic review. *Journal of diagnostic medical sonography*, *6*(1), 35-39.

Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic management journal*, *18*(7), 509-533.

Teece, David, Pisano, Gary, Shuen, & Amy. (1990). *Firm Capabilities, Resources, and the Concept of Strategy. University of California, Berkeley: Center for Research on Management.* Working Paper 90–8 ed.

Terry, D. J., Gallois, C., & McCamish, M. (Eds.). (1993). *The theory of reasoned action: Its application to AIDS-preventive behaviour* (No. 28). Psychology Press.

Thrusfield, M., & Brown, H. (2017). Surveys. In *Veterinary Epidemiology: Fourth Edition* (pp. 270-295). Wiley-Blackwell.

Thuita, P. W. (2021). *Electronic Banking and Competitive Advantage in* Kenyan commercial banks/lenders (Doctoral dissertation, University of Nairobi).

Tlou, E. R. (2009). *The application of the theories of reasoned action and planned behaviour to a workplace HIV/AIDS health promotion programme* (Doctoral dissertation, University of South Africa).

Treacy, M., & Wiersema, F. (1993). Customer intimacy and other value disciplines. *Harvard business review, 71*(1), 84-93.

Treacy, M., & Wiersema, F. (1995). *How market leaders keep their edge*. Fortune. 13(2), 52-57.

Voinescu, R., & Moisoiu, C. (2019). Belt and Road Initiative and Possible Implications for Central and Eastern Europe Countries. *Global Economic Observer, 7*(1), 195-204.

Wang, C. H., & Hsu, L. C. (2010). The influence of dynamic capability on performance in the high technology industry: The moderating roles of governance and competitive posture. *African Journal of Business Management*, *4*(5), 562-577.

Wibowo, N., & Nurcahyo, R. (2020). Competitiveness In Global Transformation: A Systematic Review. In *Proceedings of the International Conference on Industrial Engineering and Operations Management* 12(10) 718 – 727.

Wojtkowiak, D., & Cyplik, P. (2020). Operational Excellence within Sustainable Development Concept-Systematic Literature Review. *Sustainability*, *12*(19), 7933.

Zhao, Q., Tsai, P. H., & Wang, J. L. (2019). Improving financial service innovation strategies for enhancing china's banking industry competitive advantage during the fintech revolution: A Hybrid MCDM model. *Sustainability, 11*(5), 1419.

APPENDICES

Appendix I: Introduction Letter

To the Respondent,

<u>Re: Request to Participate in the Survey Below</u>

My name is Hezron Juma Odhiambo studying at Kenyatta University. Currently I'm undertaking a survey in partial fulfillment of my Masters programme to assess the ***Effect of Value Discipline on Competitive Advantage of Commercial Banks in Kenya.*** Your selection to participate in this survey is random and thus you are kindly and voluntarily requested to respond to the following questions to the best of your knowledge. Exercise your utmost sincerity for objectivity of the survey.

Yours sincerely,

Hezron Juma Odhiambo

Appendix II: Questionnaire

Section A: background data

1. Education level

- ✓ No Education [ ]
- ✓ Secondary Education [ ]
- ✓ Under-graduate Education [ ]
- ✓ Post-Graduate Education [ ]

2. Your tenure in the institution

- ✓ < 1 year [ ]
- ✓ 1 - 3 years [ ]
- ✓ 3 - 6 years [ ]
- ✓ 6 - 10 years [ ]
- ✓ > 10 years [ ]

3. Age of the firm

- ✓ < 1 year [ ]
- ✓ 1 - 3 years [ ]
- ✓ 3 - 6 years [ ]
- ✓ 6 - 10 years [ ]
- ✓ > 10 years [ ]

Section B: Competitive Advantage

4. Given the rating of 5(five – agree/yes) – 1(one – disagree/not agreeing); you are requested to give your opinion on the competitiveness of the firm you work in.

Items	**1**	**2**	**3**	**4**	**5**
1. This industry has a large range of current and potential rivals.					
2. This industry has a lot of price flexibility.					
3. There are often numerous identical items in the marketplace.					
4. Do you believe that, in contrast to rivals, client demands for brand modifications should be pursued?					
5. Clients in the developing markets find our goods extremely appealing.					
6. The firm is equipped to respond quickly to marketplace developments in an international intended audience.					
7. There's a higher danger of compromising competitiveness gained via partnership with other organizations.					
8. At the moment of entering the market or technique shift, there's really rapid marketplace development in the intended region.					
9. This market segment has a large variety of prospective buyers.					
10. This industry has a large commercial opportunity.					
11. Is there a large variety of current and potential rivals in this industry?					
12. This industry has a lot of price flexibility.					
13. At the moment of market introduction, the company entity faces several impediments to business access.					
14. Compared to the domestic economy, this industry has a comparable client demand.					

Section C: Operational Excellence

5. Given the rating of 5(five – agree/yes) – 1(one – disagree/not agreeing); you are requested to give your opinion on the operational excellence of the firm you work in.

Items	**1**	**2**	**3**	**4**	**5**
1. The firm has achieved lower production cost per unit					
2. The firm has achieved the ability to supply low-cost products to the market					
3. The firm has achieved higher rate of inventory turn-over					
4. The firm has achieved the ability to supply high quality products to the market					
5. The firm has achieved reduced number of defective products per production run					
6. reduced number of customer complaints per month					
7. The firm has achieved the ability to adjust production volume to meet low or high market demand					
8. The firm has achieved the ability to produce a wide range of products to meet or market requirements					
9. The firm has achieved the ability to quickly adjust the product mix to meet changes in customer requirements					
10. The firm has achieved the ability to deliver orders on time					
11. The firm has achieved ease of order placement by customers					

Section D: Customer Intimacy

6. Given the rating of 5(five – agree/yes) – 1(one – disagree/not agreeing); you are requested to give your opinion on the customer intimacy of the firm you work in.

Items	**1**	**2**	**3**	**4**	**5**
1. We encourage our clients to participate actively in order to obtain common advantages.					
2. Our organization makes recommendations to improve the well-being of our consumers.					
3. Feedback from consumers is sought by our company in order to enhance items and innovate.					
4. Customers see guidance as a sort of social assistance from our company.					
5. Our company is consistently committed to meeting its clients' expectations.					
6. Our company is dedicated to maintaining long-term relationships with our clients.					
7. Our company is offered with items that meet their requirements.					
8. Our company has a strong reputation, which inspires our consumers to be dedicated.					
9. Our company believes in its staff and trusts them to provide superior products.					
10. Our company produces high-quality items that exceed customers' requirements.					
11. In commercial contacts with consumers, our firm's personnel are forthright in speaking the reality.					

Section E: Product Leadership

7. Given the rating of 5(five – agree/yes) – 1(one – disagree/not agreeing); you are requested to give your opinion on the product leadership of the firm you work in.

Items	**1**	**2**	**3**	**4**	**5**
1. The leader I'm actually grading is critical in helping their groups to be successful in guiding product advancement.					
2. While addressing difficulties, the director I am assessing seeks out different points of view.					
3. The director I'm ranking is eager regarding what has to be done.					
4. Whenever achievement targets are met, the director I am evaluating lays out what could be expected.					
5. The director I am evaluating addresses people as a person instead of as a member of the group.					
6. The director I'm assessing thinks about the virtuous and humane implications of choices.					
7. The supervisor I am assessing exudes strength and assurance.					
8. My focus is drawn to shortcomings to achieve requirements by the person I am assessing.					
9. I am assessing the supervisor because they dislike implementing judgments.					
10. The facilitator I am ranking provides innovative approaches to completing work.					
11. The coach I'm assessing takes too long to answer to critical concerns.					
12. The director I am assessing stresses the necessity of a shared perception of purpose.					

Thank you in advance

Appendix III: Kenyatta University Authorization 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: Executive Dean, Graduate School

DATE: 17th March, 2023

TO: Hezron Juma Odhiambo
C/o Business Administration Dept.

REF: D53/OL/KSU/27342/2018

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL

This is to inform you that Graduate School Board at its meeting of 16th March, 2023 approved your Research Project Proposal for the MBA Degree Entitled, **"Value Disciplines on Competitive Advantage of Commercial Banks in 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 Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University's Website under Graduate School webpage downloads.

Thank you.

ANNBELL MWANIKI
FOR: EXECUTIVE DEAN, GRADUATE SCHOOL

c.c. Chairman, Business Administration Department.

Supervisors:

1. Dr. Abel Anyieni
   C/o Department of Business Administration
   Kenyatta University

Appendix IV: Research Permit from NACOSTI

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Ref No: 263205

Date of Issue: 12/April/2023

RESEARCH LICENSE

This is to Certify that Mr.. Hezron Juma Odhiambo of Kenyatta University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Bomet, Bungoma, Busia, Kakamega, Kisumu, Mandera, Marsabit, Meru, Migori, Nairobi, Vihiga on the topic: VALUE DISCIPLINES ON COMPETITIVE ADVANTAGE OF COMMERCIAL BANKS IN KENYA for the period ending : 12/April/2024.

License No: **NACOSTI/P/23/25173**

263205

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.

See overleaf for conditions

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

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

CONDITIONS OF THE RESEARCH LICENSE

1. The License is granted subject to provisions of the Constitution of Kenya, the Science, Technology and Innovation Act, and other relevant laws, policies and regulations. Accordingly, the licensee shall adhere to such procedures, standards, code of ethics and guidelines as may be prescribed by regulations made under the Act, or prescribed by provisions of International treaties of which Kenya is a signatory to
2. The research and its related activities as well as outcomes shall be beneficial to the country and shall not in any way;
    i. Endanger national security
    ii. Adversely affect the lives of Kenyans
    iii. Be in contravention of Kenya's international obligations including Biological Weapons Convention (BWC), Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), Chemical, Biological, Radiological and Nuclear (CBRN).
    iv. Result in exploitation of intellectual property rights of communities in Kenya
    v. Adversely affect the environment
    vi. Adversely affect the rights of communities
    vii. Endanger public safety and national cohesion
    viii. Plagiarize someone else's work
3. The License is valid for the proposed research, location and specified period.
4. The license any rights thereunder are non-transferable
5. The Commission reserves the right to cancel the research at any time during the research period if in the opinion of the Commission the research is not implemented in conformity with the provisions of the Act or any other written law.
6. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research.
7. Excavation, filming, movement, and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
8. The License does not give authority to transfer research materials.
9. The Commission may monitor and evaluate the licensed research project for the purpose of assessing and evaluating compliance with the conditions of the License.
10. The Licensee shall submit one hard copy, and upload a soft copy of their final report (thesis) onto a platform designated by the Commission within one year of completion of the research.
11. The Commission reserves the right to modify the conditions of the License including cancellation without prior notice.
12. Research, findings and information regarding research systems shall be stored or disseminated, utilized or applied in such a manner as may be prescribed by the Commission from time to time.
13. The Licensee shall disclose to the Commission, the relevant Institutional Scientific and Ethical Review Committee, and the relevant national agencies any inventions and discoveries that are of National strategic importance.
14. The Commission shall have powers to acquire from any person the right in, or to, any scientific innovation, invention or patent of strategic importance to the country.
15. Relevant Institutional Scientific and Ethical Review Committee shall monitor and evaluate the research periodically, and make a report of its findings to the Commission for necessary action.

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