FACTORS INFLUENCING STRATEGY
IMPLEMENTATION IN COMMERCIAL BANKS IN KENYA

BY

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UNITED STATES INTERNATIONAL UNIVERSITY-
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A Research Project Report Submitted to the Chandaria School of Business in partial fulfillment for the requirement for the Degree of Masters in Business Administration (MBA)

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STUDENT DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than United States International University in Nairobi for academic credit.

Signature: __________________________ Date: __________________________
Adan Ibrahim Noor (ID No: 612369)

This project has been presented for examination with my approval as the appointed Supervisor

Signature: __________________________ Date: __________________________
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Signature: __________________________ Date: __________________________
Dean, Chandaria School of Business
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ABSTRACT

The main purpose of the study was to investigate the factors affecting strategy implementation among commercial banks in Kenya. The study sought to answer the three research questions namely: How do employee factors affect strategy implementation in commercial banks? How do organization factors affect strategy implementation in commercial banks? How do the societal factors affect strategy implementation in commercial banks?

The study adopted a survey research design using both quantitative and qualitative approaches. The research targeted senior managers in all the 43 commercial banks who were identified using stratified sampling. Data was collected using a structured questionnaire that contained both open and closed ended questions. The questionnaire was pilot tested on ten respondents that exhibited similar characteristics with the target population. This was necessary to evaluate the completeness, precision, accuracy and clarity of the tool in collecting necessary data for purposes of answering the research questions. Data collected was cleaned, coded and formatted before being analysed using SPSS to obtain both descriptive and inferential statistics. Descriptive statistics were in terms of mean, standard deviation, frequency tables and charts, while inferential statistics included correlation, regression and ANOVA.

The study revealed that strategy implementation fails on the vagueness of the employee job assignment or responsibilities. Employee skills represent a valuable intangible asset in strategy implementation. Employee remuneration plays an important role in implementation of the strategy. Training is essential in the implementation of strategy. The findings also determined that organizational culture shapes and controls behaviour within the organization. Organizational culture influences how people respond to a situation within the work environment. Successful strategy implementation needs good policies. Organizational rewards have always been the core of implementing organizational strategies. Similarly, the revealed that culture affects the organization ability to contribute towards the achievement of the organization strategy. The political climate can affect the implementation of organization strategy. The optimal use of ICT helps organization to create products and deliver services efficiently and effectively.
thereby helps in improving organizational competitiveness, increasing productivity, and enhancing firm performance through the implementation of appropriate strategies.

The study concludes that strategy implementation fails on the vagueness of the employee job assignment or responsibilities. Clear job assignment leads to positive employee attitude. Employee skills represent a valuable intangible asset in strategy implementation. Organizational rewards should be the core of implementing organizational strategies. Employee culture affects their ability to contribute towards the achievement of the organization strategy. The political climate can affect the implementation of organization strategy. Political risks may affect employment terms that directly affect employee contribution in strategic management.

Based on the findings, the study recommends that aligning the responsibilities of the employee facilitates the achievement of the organization goals. Organizational culture should shape and control behaviour of the employees within the organization to achieve strategy implementation. Organization should satisfying employee desires and needs of the organization in implementing strategies in response to the changing business environment. Employee skills should be an important factor in strategy implementation. The political climate should positively influence the implementation of the organization strategy. There should be consistent legislation and effective polices to positively influence the implementation of appropriate strategies.
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DEDICATION

This project is dedicated to my parents and family who emphasized the importance of education and help me throughout their lives. They have all been my role model for hard work, persistence and personal sacrifices that they have instilled in to aspire to set high goals and motivate myself to achieve them.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Strategic management comprise a set of decisions and actions which lead to the development, implementation and control of plans crafted to realize organization’s pre-set goals in the environment within which the organization functions (Fortuin, 2017). The business environment has been evolving requiring organizations to formulate and quickly implement their strategies to be successful (Kagunu, 2016). This is referred to as strategic management which is defined as the exercise of crafting plans, organizing tasks, leading employees, controlling results and coordinating work processes to accomplish preferred outcomes (Dessler, 2008). Strategy implementation is a central constituent of the broader strategic management process (Mazzolla and Kellermanns, 2010). It is considered to be the process that converts the crafted strategy into actions which facilitate and guarantee that the vision, mission and strategic objectives of the organization are positively realized as laid out in the strategy blueprint (Hill & Jones, 2008).

Also, it is imperative to stress that strategy implementation is an integral component of strategic management process. Many organizations craft sound strategies to allow for the realization of their shared goals. However, of great concern has been the recording of high failure rates regarding strategy implementation amongst public institutions (Speculand, 2009). The ultimate consequence of such failure has been sharp deterioration in service delivery by organizations in general. Studies suggest that most strategies, frequently accomplish less than half of what their sponsors hoped and planned for, with as high as 9 out of 10 strategies failing to be implemented successfully (Nkosi, 2015; Nabwire, 2014; Wahu, 2016). One of the most critical features of organizational success is the ability to implement an organization’s chosen strategy (Bossidy & Charan 2012). Such implementation requires that the strategy be appropriately institutionalized (Chapman, 2015).

The strategic plan and its implementation are the focal point of any organization, be it for-profit or not-for-profit organization. Sanderlands (1999) argues that people under estimate the commitment, time, and energy needed to overcome inertia in their organization and translate plans into action. Strategy can only impact on the bottom line
if it is successfully implemented. To enable an organization to survive, remain relevant, competitive and grow. Implementation forms a core part of overall organization growth and success (Rajasekar, 2015). Whereas most organizations have good plans and strategies, successful strategy implementation remains a major challenge. Strategy implementation is important but difficult because implementation activities take a longer time frame than formulation, involves more people and greater task complexity, and has a need for sequential and simultaneous thinking on part of implementation managers (Hrebiniak and Joyce, 2001; Maiche and Oloko, 2016). In this regard, the current study aimed to determine the factors affecting strategy implementation among commercial banks in Kenya.

The banking industry in Kenya is governed by the Banking Act of Kenya Cap 488. The CBK which falls under the Minister of finance’s docket is responsible for formulating and implementing monetary policy directed to achieving and maintaining stability in the general price levels and fostering liquidity, solvency and proper functioning of a stable market-based financial system (Aosa, 2012). As at the end of 31st December 2012, the number of financial institutions comprised 43 commercial banks, 1 mortgage finance company, 6 deposit taking microfinance institutions, 4 representative offices of foreign banks, 112 foreign exchange bureaus and 2 credit reference bureaus. The 43 commercial banks have come together under the Kenya Bankers Association (KBA), which serves as a lobby for the banking sector’s interests and a forum to address issues affecting members (Muthoka, 2016).

Banking business is the accepting from members of the public of money on deposit repayable on demand or at the expiry of a fixed period or after notice, the accepting from members of the public of money on current account and payment on and acceptance of cheques; and the employing of money held on deposit or on current account, or any part of the money, by lending, investment or in any other manner for the account and at the risk of the person so employing the money (Bossidy & Charan 2012). Apart from accepting deposits and making loans, the banking industry has a wide variety of other business line (Hitt, Ireland and Hoskisson, 2015). Banks today provide a broad range of products and services, such as underwriting and dealing in securities, selling and managing shares in mutual funds and even insurance (Shapiro, 1996).
A commercial bank is a profit-seeking business firm, dealing in money and credit. It is a financial institution dealing in money in the sense that it accepts deposits of money from the public to keep them in its custody for safety. It also deals in credit, whereby it creates credit by making advances out of the funds received as deposits to needy people. It thus, functions as a mobilizer of saving in the economy (Chapman, 2015). A bank is, therefore like a reservoir into which flow the savings, the idle surplus money of households and from which loans are given on interest to businessmen and others who need them for investment or productive uses (Hitt, Ireland and Hoskisson, 2015). There are many types of commercial banks such as deposit banks, industrial banks, savings banks, agricultural banks, exchange banks, and miscellaneous banks (Shapiro, 1996).

Every commercial bank needs a structure in order to operate systematically. The organizational structures can only be used if the structure fits into the nature and the maturity of the commercial bank. In most cases, the commercial banks evolve through structures when they progress through and enhance their processes and manpower (Hitt, Ireland and Hoskisson, 2015). For instance, small and medium sized commercial banks embrace functional organization structures where they assign roles and responsibilities to functional heads in charge of Information Technology (IT), marketing, finance, Human Resource Management (HRM), and other specializations. However, as the commercial bank grows in number of branches locally, it usually adopts a divisional structure where the functions are combined into divisions based on the nature of products and services being offered. The divisions would include consumer banking, wholesale banking, financial markets and support functions (Chapman, 2015).

The divisional heads will have various functional heads in charge of their functional areas and will be answerable to the divisional head. Finally, as the commercial banks open international branches they usually adopt a matrix structure where the divisional heads are answerable to regional heads that are in charge of geographical regions like Africa, Middle East, Asia, America and Europe (Hrebinisik, 2013). The regions could also be subdivided into sub-regions like East Africa, West Africa, Central Africa and Southern Africa (Bossidy & Charan 2012).

The Central Bank of Kenya (2018) has recognized a total of 43 commercial banks in Kenya and documented their strength in terms of their market share in gross assets. The
top six (6) commercial banks in Kenya in terms of gross assets include Kenya Commercial Bank (14.2%), Equity Bank Limited (8.6%), Cooperative Bank of Kenya (8.5%), Barclays Bank of Kenya (8.4%), Standard Chartered Bank Kenya Limited (7.9%) and CFC Stanbic Bank Kenya Limited (6.7%). Of the top 6 commercial banks in Kenya, the first 3 are indigenous commercial banks (Kenya Commercial Bank, Equity Bank and Cooperative Bank) while the other three are subsidiaries of multinational banks (Barclays Bank, Standard Chartered Bank and CFC Stanbic Bank).

The other commercial banks in Kenya are categorized into medium size commercial banks and in this category there are 14 commercial banks which hold between 1% and 5% of the total gross assets in the commercial banking industry in Kenya. Commercial Bank of Africa tops this list with 4% of the gross assets while Bank of India is bottom with 1.1% of the gross assets. The third category is the small banks which consist of 23 commercial banks which own less than 1% of the total gross assets in the commercial banking industry in Kenya. Top on this list is Consolidated Bank of Kenya with 0.8% and bottom is Jamii Bora Bank with 0.1% of the total gross assets (CBK, 2018).

1.2 Statement of the Problem

Most scholars on business management have recognized that one of the key aspects of improved business performance is better implementation of the organization strategic plans. However, it is understood that implementation of strategic plans is one of the most difficult challenges that organizations face today (Mbaka and Mugambi, 2014). The implementation of strategic plans has been proved to be the main contributing factor to business success (Drucker, 1992). Less than 26% of all formulated strategies in organizations get implemented (Mintzberg, 1994). Mbaka and Mugambi (2014) also notes that the best formulated strategies may fail to produce superior performance for the firm if they are not successfully implemented. Results from several surveys have confirmed this view. An Economist survey found that a discouraging 57 percent of firms have unsuccessfully at executing strategic initiatives over the past three years, according to a survey of 276 senior operating executives in 2014 (Allio, 2015). It is obvious that strategy implementation is a key challenge for today’s organizations. It’s critical that an organization’s strategy be examined to ensure that it facilitates implementation of strategy and if not, then restructuring is justified.
Several studies have been carried out on strategy implementation in different companies. Nkosi (2015) undertook a study on the factors affecting strategy implementation using a case study of a local municipality in Mpumalanga province, South Africa. The study objectives were focused on managerial behaviour, resource allocation and institutional policies on strategy implementation. However, the current study expanded the objectives besides the employee and organizational factors to include the societal factors to guarantee more objective results. Mbaka and Mugambi (2014) also conducted a study on the factors affecting successful strategy implementation in the Water Sector in Kenya. But the study results were based on a desk research where secondary data was analyzed to explore the factors that affect the strategy implementation and the research objectives were based on structure, strategy, skills, staff, style, systems and super-ordinate goals. However, the current study was based on primary data collection to determine the factors affecting strategy implementation by a specific focus on the employee factors, organizational factors and societal factors especially among commercial banks. Nabwire (2014) also conducted a study on factors affecting the implementation of strategy at Barclays Bank. But the current study aimed to look at the broader view by focusing on all the commercial banks. None of these studies have made a clear distinction on the importance of strategy implementation on all commercial banks in Kenya. Generally, the topic and role of strategy implementation among commercial banks is a neglected and overlooked in empirical studies. There is greater emphasis on strategy formulation and very little on strategy implementation. It is in this light that the researcher aimed to fill the research gap that exists by carrying out a study on the role of employee, organization and societal factors on strategy implementation among banks in Kenya.

1.3 Purpose of the Study

The main purpose of the study was to investigate the factors affecting strategy implementation among commercial banks in Kenya.
1.4 Research Questions
The study sought to answer the following research questions:

1.4.1 How do employee factors affect strategy implementation in commercial banks?
1.4.2 How do organization factors affect strategy implementation in commercial banks?
1.4.3 How do the societal factors affect strategy implementation in commercial banks?

1.5 Importance of the Study

1.5.1 Banking Industry
The study can help the banking industry in areas of relationships between strategic formulation, implementation and operational strategies.

1.5.2 Bank Managers
The study is important not only to bank managers in the banking industry but also other managers in other industries that it can assist in providing an understanding on the effect of management in the implementation of strategy by organizations. The study can also provide information on the strategies applied in management and how they influence the performance and long-term success of the organization especially in the banking industry.

1.5.3 Government and Regulatory Agencies
The government and other implementing agents can also benefit from the study by getting an insight on the key factors that limit implementation process and how to identify intervention points to fasten the implementation of various strategies.

1.5.4 Researchers and Academicians
The study can be a source of reference material for future researchers on other related topics. It can also help other academicians to undertake the same topic in their studies. The study would also highlight other important relationships that require further research.

1.6 Scope of the Study
The study focused on commercial banks in Kenya. The research was limited to three categories of respondents: Board Member in strategic committees (1), bank CEOs (1) and Head of Bank Strategy (1) among 43 banks. The study was conducted for a period of three months from May to July 2018. There were a number of challenges encountered in
carrying out the research. One of the issues was confidentiality of the responses, the respondents were given an introduction letter outlining the intention of the research were assured that the data collected would be treated with utmost confidentiality and for academic purposes. Also, the bank employee operated on very tight schedules which almost led to non-response rate but a follow up using phone calls and text messages ensured that the respondents filled the questionnaires on time. There was also an issue of providing objective information to the respondents, as most of the responses were guided by emotions, attitudes and perceptions which weren’t accurately quantified. But the researcher encouraged the respondents to fill objectively without any fear or prejudice as the questionnaires would bear no names of the participants.

1.7 Definition of Terms

1.7.1 Strategy
This is the creation of a unique and valuable position, involving a different set of activities and might require trade-offs and the creation of fit within company activities (Porter et al., 2003).

1.7.2 Strategic Management
It is a set of decisions and actions that result in the design and activation of strategies in order to achieve the objectives of the organization. It is a set of decisions and actions that result in the formulation and implementation of plans designed to achieve the organizations objectives (Pearce & Robinson, 2003).

1.7.3 Strategy Implementation
This is the procedure of designing systems to ensure that the plans are carried out in the intended manner and periodically adjusted to keep the organization on track to achieve its goals (Stacey, 2013).

1.8 Chapter Summary
Chapter one presents the background on the factors affecting strategy implementation among commercial banks in Kenya. The chapter also outlines the problem statement, general objective, specific objectives of this research, importance of the study, the scope of the study as well as the working definitions of specific terms used in the project. Chapter two reviews literature on how employee factors, organization factors and societal
factors effect on strategy implementation in commercial banks. Chapter three addresses the research methodology. Chapter four provides the results and findings. Chapter five presents the summary, discussion, conclusion and recommendations of the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
The literature review seeks an in-depth investigation of the problem area using the guidelines set in by the research questions in chapter one. The literature review focuses on the empirical studies that are related how employee factors affect strategy implementation in commercial banks, how the organization factors affect strategy implementation in commercial banks and how the societal factors affect strategy implementation in commercial banks. The section ends with a chapter summary.

2.2 Effect of Employee Factors on Strategy Implementation
2.2.1 Employee Responsibilities and Strategy Implementation
One of the reasons why strategy implementation processes frequently result in difficult and complex problems or even fail at all is the vagueness of the assignment of responsibilities. In addition, these responsibilities are diffused through numerous organizational units (Rapa and Kauffman, 2015) resulting in unclear individual responsibilities in the process. Cross-functional relations are representative of an implementation effort. This is indeed a challenge because employees tend to think only in their “own” department structures. This may be worsened by over-bureaucracy and can thus end up in a disaster for the whole implementation (Rapa and Kauffman, 2015). To avoid power struggles between departments and within hierarchies, one should create a plan with clear assignments of responsibilities regarding detailed implementation activities. This is a preventive way of proceeding. Responsibilities are clear and potential problems are therefore avoided (Rapa and Kauffman, 2015).

Human resources represent a valuable intangible asset. Studies indicate that human resources are progressively becoming the key success factor within strategy implementation. In the past, one of the major reasons why strategy implementation efforts failed was that the human factor was conspicuously absent from strategic planning (Lorange, 1998). This leads to a dual demand (Rapa and Kauffman, 2005). First, considerations regarding people have to be integrated into considerations about strategy implementation in general. Second, the individual behavior of these persons is to be taken into account. Individual personality differences often determine and influence
implementation. The difference of individuals requires, as a consequence, different management styles. For the purpose of strategy implementation it is desirable to create a fit between the intended strategy and the specific personality profile of the implementation’s key players in the different organizational departments (Rapa & Kauffman, 2015).

2.2.2 Employee Competence and Strategy Implementation

In any organization, the staff are the ones charged with the mandate of implementation of the strategy as such this section will give an in-depth analysis into employee competences and strategy implementation, challenges facing staff competences and the benefits of employee competences in strategy implementation (Elwak, 2014). The failure of a strategy may affect an organization negatively and these may include loss of external benefits such as proposed funds for strategy implementation, or internal benefits such as staff demotivation, and loss of competitive advantage or eventual failure of the organization (Elwak, 2014).

Banks possess resources and capabilities, which are superior to those of competitors, then as long as the firm adopts strategy that utilizes these resources, and capabilities effectively, it should be possible to establish Competitive advantage (Hitt, Ireland and Hoskisson, 2015). Banks achieve it through strategic planning and management, which is a continuous process that evaluates controls and examines the business, the competitors, and the industry at large and sets goals and strategies to overcome obstacles on their way to success (Roberto & Arocas, 2017).

Most organizations are so guilty of ignoring worker competence and consistent with Bossidy and Charan, (2012) most managers overlook this necessary issue as they're too busy puzzling over the opposite underpinning factors, for example, the way to increase earnings and company growth, coping with surroundings dynamics among different problems. Thus, this means very little attention is given to worker competence. This is consistent with Armstrong, Ittner, and Larcker, (2014) where they assert standards as being the minimum acceptable level of performance. Bossidy and Charan (2012), highlight that competence has more than simply information and skills. This can be due to it involving the flexibility to fulfill complicated demands, by drawing on and mobilizing
psychosocial resources, as well as skills and attitudes, in an exceedingly specific context (Morril, 2010).

If a company should achieve success, it's to make sure that it possesses the proper employees for the task and this can be chiefly a result of their judgment and experiences since these aspects have got a protracted means in driving the organization’s performance (Bossidy and Charan, 2012). Michlitsch (2010) notes that when there is lack of competencies, either on the highest or within the bottom of the firm’s structure, even the simplest strategy with the simplest environmental factors can have restricted possibilities of success. The shortage of competencies isn’t alone attributable to lower level managers or staff but also the chief officers who may fail in their attempt to execute a new strategy (Wheelen, Hunger, Hoffman & Bamford, 2015).

2.2.3 Employee’s Attitude
Attitudes are defined as evaluations of ideas, events, objects or people. In general there are positive and negative and sometimes are uncertain (Erin, 2013). Many models of attitude have been proposed by different scholars. Now, after reviewing various definitions and models, it is generally accepted that attitude represents the positive or negative mental and neural readiness towards a person, place, thing or event. Robbins (2013) defined attitudes as evaluative statements and they can be either favorable or unfavorable-concerning objects, people, or events. Therefore they reflect how one feels about something. The favorable statements may provide positive effects regarding the concerned object, person or event whereas unfavorable statement may provide negative effects.

An attitude is a positive or negative feeling or mental state of readiness, learned and organized through experience that exerts specific influence on a person’s response to people, objects and situations. This definition of attitude has certain implications for managers (Erin, 2013). First, attitudes are learned and second they define one’s predispositions toward given aspects of the world. Third, attitudes provide emotional basis of one’s interpersonal relations and identification with others (Eagly and Chaiken, 2015). And fourth, attitudes are organized and are closed to the core of personality. Some attitudes are persistent and enduring; yet, like each of the psychological variables, attitudes are subject to change (Fishbein & Ajzen, 2015).
The early family experiences help to shape the attitudes of individuals. The attitudes of young children usually correspond to those of their parents. As children reach their teen years they begin to be more strongly influenced by peers (Erin, 2013). Peer groups are able to influence attitudes because individuals want be accepted by others. Teen ages seek approval by sharing similar attitudes or by modifying attitudes to comply with those of a group (Gibson, Ivancevich and Donnelly, 2011) stated that values and attitudes develop from early childhood onward as a result of upbringing, education and experience of life. He further declared that some people’s attitudes set by their late twenties or early thirties, and others seem to be able to retain certain flexibility throughout their life (Eagly & Chaiken, 2016).

A job attitude refers to a set of evaluations on someone’s job that constitutes of their feelings, beliefs as well as attachments to their job Timothy, Mueller & John (2012). Overall job attitude can be conceptualized in two ways. One as affective job satisfaction that constitutes of a general or rather global subjective feeling about a job Thompson, Edmund and Florence (2012) or as a composite of objective cognitive assessment of certain facets like pay, conditions, opportunities and any other aspects of a particular job Harrison, David, Daniel & Philip (2006). Employees evaluate their advancement opportunities by observing their job, their occupation, and their employer (Thompson, Edmund & Florence, 2012).

According to Stewart and Porter (2000), to help gain additional insight into motivational differences across cultures, it is important to understand how different groups view the meaning of work. They make reference to a scholarly study carried out in the 20th century moving into the 21st century, work was defined as the degree of general importance that working has in life of an individual at point in time. Albanese (1998), talks of interpersonal relationships that occur in the job environment. He says that such relationships are primarily though not entirely initiated and maintained for the purpose of facilitating the accomplishment of work. Draft (2010) links employee attitude to empowerment. He describes empowerment as power sharing, delegation of authority to subordinates in an organization. It involves giving employees the following four elements, information, knowledge power and rewards.
2.2.4 Impact of Employee Factors on Strategy Implementation

Many of today's organizations may be characterized as distributed, matrix, and global, with functions that usually operate autonomously within the absence of governance. These factors create economical and effective identification, utilization, and implementation of competencies. In fact, 69% of organizations surveyed their competency management was not as effective as it should be (Drucker, 2013). A spotlight on leadership competencies and talent development promotes higher leadership. However, skills required for a specific position could be modified based on the precise leadership level within the organization. By employing a competence approach, organizations will establish what positions at that level need specific competencies (Daft, 2014). Boukendour and Hughes (2014) additionally elaborate that after choosing and developing leaders, human resource professionals ought to think about the competencies that the individual possesses and compare them to those that require additional development for fulfillment in particular leadership role.

Pearce and Robinson (2011) observed that to ensure success of a strategy, the strategy must be translated into carefully implemented action. This means that the strategy must be translated into guidelines for the daily activities of the firm's members. The strategy and the firm must become one in that the strategy must be reflected in the way the firm organizes its activities and the culture of the organization and the company's managers must put into place steering controls that provide strategic control and the ability to adjust strategies, commitments and objectives in response to ever changing future conditions (Hitt, Ireland & Hoskisson, 2015).

According to Chetty and Stangl (2010) on the average, eighty-eight percent of organizations establish higher leadership and worker performance as vital to the business. While lack of an assessment strategy and ability to predict, the talents required by the business going forward, organizations are left uninformed on what skills exist and are required. Huang and Ning (2013) state that some 74% of organizations say that definition of essential competencies by talent phase and job role is crucial, or vital, to the business, yet, solely 7% of organizations have the capability to predict the essential skills needed.

While staff competence is vital, failures are experienced due to many organizations failing to acknowledge human capital as a factor necessary for successful strategy
implementation (Chapman, 2015). This is so as a result of low level managers and employees being the last group to identify with company strategy. As a result, Michlitsch (2010) attributes the obvious lack of human factor as the sole impediment to strategy implementation failure. This Michlitsch attributes to the lack of awareness by managers that employees play a vital role in strategy success. Thus, the absence of employees on board would definitely result into strategy failure (Hitt, Ireland & Hoskisson, 2015).

To establish factors affecting strategy implementation at Postal Corporation Of Kenya Barasa and Ombui (2014) established that while competence is acknowledged as a factor affecting the implementation process, competence on the job is necessary however, lack of other attributes such as confidence, compassion, tactfulness, and sensitivity among employees when handling customers was an impediment to the implementation. Taking the above findings into consideration this research therefore aims to establish whether incompetence could have hamper strategy implementation in commercial banks.

2.3 Effect of Organization Factors on Strategy Implementation

2.3.1 Organization Structure

The functional structure is based on a group’s function or dedicated activities in an organization such as sales and marketing, finance and operations. The structure’s effectiveness is based on this division of labour. Smaller to medium-sized organizations with limited product ranges tend to favor the functional structure (Hitt, Ireland and Hoskisson, 2015). This structure allows for specialization within the functional areas and facilitates co-ordination among its members. However, in reality, individuals become insulated in their functional groups and fail to see or understand the other functions’ jobs. This can lead to co-ordination problems (Chapman, 2015). He holds that operating efficiencies afforded by grouping specialists together in functional areas with a traditional chain of command becomes a barrier to the cross-function communication and co-ordination needed effectively to implement multiple product – multiple market strategies (Wilson, 1986).

The divisional structure is used as companies become larger and begin to diversify their product line. The company is divided into separate units based on different products or markets (Chapman, 2015). The company breaks up its operations into manageable units.
or little companies which then operate under a mechanistic structure. The units may share some corporate resources, such as research and development facilities, but overall, they are relatively autonomous (Hitt, Ireland and Hoskisson, 2015). The units are guided by a corporate-level strategy which outlines the desired results. However, the units are free to realize corporate level objectives of their own choosing (Pascale, 1990).

Mills (1991) observes that the matrix structure is based on a dual chain of command. The functional departments are used to gain economies of specialization while the project teams focus on particular products or markets. Each employee in the matrix structure is responsible to one functional department and one project manager, hence the dual chain of command. Although the matrix structure is usually a combination of functional and divisional groupings, it can also be a combination of product and market groupings. These matrix structures can be temporary or permanent, depending on the needs of the organization (Peters, 1992).

Organizational structure institutionalizes how people interact with each other, how communication flows, and how power relationships are defined (Hall, 1987). The structure of an organization reflects the value-based choices made by the company (Mumanyi, 2014); it refers to how job tasks are formally divided, grouped, and coordinated. Organizational structure is also the way responsibility and power are allocated, and work procedures are carried out, among organizational members (Birchall, 2013). Organizations are based more on teamwork, face-to-face interactions, learning, and innovation. Qualities traditionally considered egalitarian such as equality, empowerment, horizontal relationships, and consensus building become more important (Lund, 2013).

Organizational structure is partly affected by the firm’s external environment (Bourgeois et al., 1978; Duncan, 1972; Hrebinia and Snow, 1980; Lawrence and Lorsch, 1967). Research suggests that firms organized to deal with reliable and stable markets may not be as effective in a complex, rapidly changing environment (Mwawasi, Wanjau and Mkala, 2013). The more certain the environment, the more likely the firm’s organizational structure may have a centralized hierarchy, with formalized rules and procedures (Lawrence and Lorsch, 1967). Organizations that operate with a high degree of environmental uncertainty may decentralize decision-making (Ruekert et al., 1985), rely
less on formal rules and policies and flatten their hierarchies (Walton, 2015). Organizational structure has multiple dimensions, and Damanpour (1991) provides a rather thorough probe into the relationships between organizational determinants and innovation. Pournasir (2013) provides a list that includes formalization, specialization, standardization, hierarchy of authority, complexity, centralization, professionalism and personnel ratios.

The prescriptive approach to strategy-structure relationship that supports that structure follows strategy, recommended that strategy be formulated first and then the respective organization structure developed to support implementation of the strategy. Chandler (1987) had amassed empirical evidence from his study of a number of American firms. Chandler’s view was supported by Williamson (1975) who evaluated through his studies on centralized structures of organizations including full implications of diversity that chandler had not evaluated. Chandler identified four key parameters for strategy growth and firm performance that would influence organizational structure as being expansion of volume, geographical expansion, vertical integration and product diversification. However, strategic change from a prescriptive approach has been challenged by Quinn (1980) as being over-simplistic as it assumes it is possible from the onset to choose precisely the strategies an organization needs to introduce. He asserts that simple strategic solutions may be unavailable and particularly where the changes are complex and controversial. Organization structure may be unable to cope with the obvious solutions for reasons of culture, people involved and organizational political pressures (Madegwa, 2014). Structure even involves physical re (arrangement) often a powerful aspect of strategy that needs to be carefully considered. Location and relocation of people within an organization can be important with regard to communications, dynamics and perceptions and believes about roles and hierarchy. The importance of strategy-structure is that it gives a focus, integrates, enables delegation, provides a framework, requires pro-activity and demands data gathering and analysis (McCalman & Paton, 1992).

2.3.2 Organization Strategic Priorities
Strategic behaviour refers to actions which a firm takes to improve its competitive position relative to actual or potential rivals, in order to gain sustainable competitive advantage (Ke and Wei, 2008). Strategic behaviour has adverse weight on organizational
culture (Higgins, 2005). Diverse structures are essential in implementing various strategies and characteristically, structures are altered when they cease to provide the harmonization and control crucial to implement strategies effectively. Appropriate strategy-structure alignment is a compulsory signal to successful implementation of novel strategies (Mazzolla and Kellermanns, 2010). Besides, organizational structure assists in development of capacity to implement strategies (Kachru, 2005). Structural constituents are a central channel to the enablement of smooth conversion of organizational strategy and policies to actions that result in motivation and coordination of activities and people working harmoniously in an organization. Hence a suitable organizational structure is essential for success (Kachru et al., 2005).

To realize a strategic fit, transformation in structure is inevitable as changes in strategy results in transformation of organisational structure (Schnelle, 2008). The fundamental hypothesis to the necessity of change in structure to accommodate strategy change is that strategy-structure fit will result in an enhanced organisational performance (Harrison, 2012). Consequently, in crafting the structure, strategy must be taken into account to enable the tactical search of the firm’s strategies (Schnelle et al., 2008). According to Schaap (2006), adjusting organizational structure with regard to flawless strategy formulation can promote successful strategy implementation.

2.3.3 Organization Resource Allocation
Sufficient resources are another crucial factor in strategy implementation. The lack of resources, on the other hand, may lead to the failure of strategy implementation. For one, implementing strategy, in most cases, take more time than expected or planned beforehand (Schaap, 2012). Porter (2005) suggests that the board members sometimes underestimate the time needed to complete a strategy implementation. Time is pressured even more if priorities are not set correctly. It should therefore be clear to all employees involved in the implementation are of most priority for execution. This includes implementation activities but also regular work and other projects. If priorities are not defined properly, it could either cause loss of attention for the strategy implementation or loss of attention for the regular work and other projects. Both could lead to problems in the organization (Neilson et al., 2008).
“Implementation” is also known as the organizational resources and through which resources reflect in the activities and choices necessary for implementation of strategic plans (Kuchru, 2005). With reference to the resource based view (RBV), competition anchors on the capabilities and resources that exist in an organization or that which an organization might intend to develop in order to attain sustainable advantage (Henry, 2008). Organizational capabilities are compared to the shared skills and abilities in an organization to plan, organize, lead, coordinate and control explicit activities. Organisational resources can take a tangible nature such as physical resources, financial resources and human resource (Henry, 2008).

Henry (2008) stresses that RBV emphasizes on organization’s inner capabilities in developing strategy to accomplish both superior performance and sustainability in service delivery. Capabilities based view invokes the question of its association to performance in strategic management theory, the linkage between organizational capabilities and performance (Teece, 2007). Pavlou and Sawy (2010), postulate that dynamic capabilities are put across as the ability to integrate, construct and reconfigure both internal and external capabilities to tackle swiftly altering environments.

2.3.4 Institutional Policies
For an organization to gather strength via accrued knowledge in regions of economic and political governance, there is a consensus to the verdict that for any institution to be able to realize the set objectives, it should have in place, a trustworthy mechanism for constructing policies and strategies for executing the policy options (Ige, Adeyeye and Aina, 2011). Mazolla and Kellermanns (2010) assert that middle management having low or negative commitment to strategies developed by top level management stands as hindrances to effective implementation of strategy. In the same vein, Greunig and Richard (2010) note that implementation of new strategy calls for recruitment of competent employees and continuous professional development. Successful implementation depends on the shoulders of managers with the capacity to motivate employees to supportively function at high level of duty that is difficult to conduct when the right employees are absent or the leader lacks interpersonal skills. One of the best practices in change management is to assume trust in organisational workforce from the start unless proven otherwise to best facilitate collaborative and cooperative behaviour and to communicate defined values by which decisions will be made (Levin, 2010). Levin and Green (2010)
suggest that organisational leadership define each benefit in the plan and link the benefits to demonstrate the value of benefits to the stakeholders.

2.4 Effect of Societal Factors on Strategy Implementation

2.4.1 Economic Factors

The economic environment within which an organization operates affects the success of strategy implementation. Economic factors concern the nature and direction of the economy in which the firm operates (Birchall, 2013). On both the national and international level, managers must consider the general availability of credit, level of disposable income, the propensity of people to spend, prime interest rate, inflation rates and trends in the growth of the Gross National Product as economic factors for strategy implementation (Pearce and Robinson, 2007). Organizations must therefore determine a strategy implementation process within a given economic situation.

Businesses operate in an economic environment and base many decisions on economic analysis. Economic factors such as a country’s gross domestic product, current interest rates, employment rates, and general economic conditions affect how organizations implement their business strategies (Zeuli and Cropp, 2016). The gross domestic product is a measure of the goods and services produced in the country. For example, employment rates can affect the quantity and quality of the labour pool available for organizations as well as influence the ability of customers to buy. Normally, growth in a country’s gross domestic product indicates growth in the organization sales and disposable income (Kamau, 2015). Organizations want to implement their strategies in areas that have steady growth in gross domestic product and the gross national products. The demand for the banks products will influence its ability to implement strategies (Chemwei, Leboo and Koech, 2014). There has to be a demand for bank products as well as the ability to purchase them.

The economic environment also consists of purchasing power of the people. Total purchasing power is a function of current income, prices, savings and credit availability. Strategy implementers should be cognizant of major trends in the economic environment (Pournasir, 2013). The changes in economic conditions can have destructive impacts on business plans of a firm. Economic forecasters looking ahead through the next decade are likely to find their predictions clouded by the recurrent themes of shortages, rising costs.
and up and down business cycles (Maorwe, 2011). These changes in economic conditions provide strategy implementers with new challenges and threats. How effectively these challenges could be converted into opportunities depend on well-thought-out marketing programmes and strategies. In addition, to how the strategies are implemented appropriately (Alharthy, Rashid, Pagliari & Khan, 2017).

Banks also require finances in order to implement their strategic plans. Inadequate funds hinder bank’s operations (Maorwe, 2011). Banks need to put in place financing strategies to guide them objectively in the acquisition, monitoring and utilization of capital resources for their growth. Kamau (2015) argues that the strategy implementation team needs to determine sources of funds that include appropriate mix of debt and equity in an organization’s capital structure to enable smooth implementation of strategic plans. Banks often use external sources of funds to run their operations or to finance their investments (Lund, 2013).

### 2.4.2 Technological Issues

The most dramatic force shaping people’s lives is technology. Technology can be defined as the knowledge, tools, equipment, and work methods used by an organization in providing its goods and services. Technology is a key factor in almost any conceivable strategy process today (Mintzberg et al., 2003). As a result of the rapid changes in technology, companies must adopt the relevant and current technologies to maintain competitive edge. Porter (1985) contends that technology is one of the drivers of change. Technology is therefore a key consideration in the strategy implementation process, and should be viewed as a means to facilitate the execution of identified strategies, since it affects how the business operates and its overall competitiveness in the market.

Advances in technology are an important factor which affects detail strategist in two ways. First, they are totally unpredictable and secondly, adoption of new technology often is prevented by constraints imposed by internal and external resources. At the same time, it should be remembered that technological progress creates new avenues of opportunity and also poses threat for individual firms (Manyara, 2013). Technology has helped banks to measure the performance of their products and services resulting in customer satisfaction (Birchall, 2013). On the other hand, technological change faces opposition from one group of people-telling that it may lead to retrenchment of
employees. But in the long run, this argument may not sustain, strategy implementers need to understand the changing technological environment and how new technologies can serve human needs (Madegwa, 2014). They need to work closely with research and development people to encourage more consumer oriented research. Strategist must be alert to the negative aspects of any innovation that might harm the users and create consumer distrust and opposition (Mumanyi, 2014).

Firms operate within a dynamic business environment, and the spread of globalization provides opportunities to firms to compete in the global arena. To achieve the benefits of globalization, the managers of a worldwide business need to recognize when industry globalization drivers provide opportunities for implementation of global strategies (Mintzberg et al., 2003). Within a global environment, various considerations during strategy implementation are made and these include global political, economic, legal, social and cultural environments, as well as extreme competition (Pearce and Robinson, 2007). Companies that aim to capture and sustain competitive advantage must therefore ensure a strategy implementation process that will see them compete successfully in a global arena (Johnson, Scholes & Whittington, 2008; Mbaka & Mugambi, 2014).

Optimal and strategic use of technology helps organizations to create products and deliver services efficiently and effectively thereby helps in improving organizational competitiveness, increasing productivity, and enhancing firm performance (Nkosi, 2015). Gunga (2008) argues that adoption of technology leads to reduced transaction costs, improved access to timely and usable knowledge, improved communications with markets and within supply chain, acquisition of appropriate skills for enhancement and improved information about new opportunities. Kotter and Armstrong (2004) argue that technological change is perhaps the most dynamic force shaping our destiny hence, organizations that do not keep up with the rapid technological change will soon have outdated products and will miss out on new product and market opportunities.

2.4.3 Social Factors
Demography is the study of population characteristics that are used to describe consumers. Organizations can obtain information about the consumer’s age, gender, income, education, family characteristics, occupation, and many other items to come up and implement strategies (Wahu, 2016). These demographic variables may be used to
select market segments, which become the target markets for the organization strategist. Demographics aid organizations in identifying and targeting potential customers in certain geographic locations (Rajasekar, 2015). Strategist is able to track many consumer trends by analysing changes in demographics. Demographics provide strategy implementers with information to help locate and describe customers (Teresa, Kenneth & Mwamisha, 2013). Linking demographics to behavioural and lifestyle characteristics helps banks find out exactly who their consumers are. Banks that target certain specific demographics characteristics should make sure that those characteristics exist in enough abundance to justify locations in new countries or regions (Nabwire, 2014).

According to Boyd (1992), ecology and culture are the two elements whose interrelatedness and interaction creates the context in which organization improvements efforts are undertaken. Attitude and beliefs, he argues, influence how employees within an organization behave. In addition, Rap (2004) argues that each organization possesses its own culture such as a system of belief and values. The corporate culture creates and in turn, is created by the quality of the internal environment. Consequently, culture determines the extent of cooperation, degree of dedication, and depth of strategic thinking within an organization. According to Rap (2004), the organization and its cultural values have to be unfrozen to understand why dramatic plan is even necessary.

This is because cultural characteristics impact how consumers shop and what goods they purchased. The values, standards, and language that a person is exposed to while growing up are indicates of future consumption behaviour (Nabwire, 2014). Consumers want to feel comfortable in the environment in which they shop. To accomplish this, organizations must understand the culture and language of their customers. In a bilingual area, an organization may need to hire employees who are capable of speaking both of the languages spoken by the customers (Wahu, 2016). Some retailers have found it useful to market to the cultural heritage of their consumers, while other organizations seek to market cross-culturally. Normally larger cultures are made of many distinct subcultures. Organizations strategists need to be aware of the different aspects of culture that will affect the implementation of the strategies (Teresa, Kenneth & Mwamisha, 2013).
2.4.4 Political Factors
The direction and stability of political factors are a major consideration for managers in formulating company strategy. Political factors define the legal and regulatory parameters within which firms must operate. Political constraints are placed on firms through fair trade decisions, anti-trust laws, pricing policies and many other actions aimed at protecting the employees, consumers, the general public and the environment (Pearce and Robinson, 2007). Organizations are no longer free to function merely to maximize profits while ignoring the environment and its occupants. Strategic business decisions of the firm affect many groups of people, some of whom have no direct business dealings with the firm (Robideaux, Miles and White, 1993). It is therefore important for organizations first to understand the environments in which they operate and continuously evaluate whether their activities are in line with the laid down rules of engagement.

It has become more important for firms to incorporate external stakeholders in their strategic decisions as an extension of their corporate ethics. The public’s disaffection with the present business practices is not necessarily due to any specific changes in business behavior, but because the public has raised its standards and decided that ethical business behavior is now important (Robideaux, Miles and White, 1993). Drucker (1987), as cited in Robideaux et al, notes that today's business leaders must begin to realize that the public looks upon them as leaders of society and that they are expected to behave as such. All organizations must operate in an ethical manner, while taking into consideration the environment in which they operate in, in their effort to attain the goals and remain competitive.

2.4.5 Infrastructure
Infrastructure characteristics deal with the basic framework that allows business to operate. Organizations require some form of channel to deliver the goods and services to their door (Lund, M. (2013). Depending on what type of transportation is involved, distribution relies heavily on the existing infrastructure of highways, roads, bridges, river ways, and railways (Nabwire, 2014). Technical infrastructures such as level of computerization, communication systems, and electrical power availability also influence the ability of the organization to implement strategies. There is a significant variance in quantity and quality of infrastructures across regions or countries. An organization whose
operation depends on reliable computerization and communications would not need to even consider a place that does not meet those criteria (Lund, 2013).

2.4.6 Competition
Levels of competitions vary from one place to another. In some areas, organizations will face much stiffer competition than in other areas. Normally, the more industrialized a nation is, the higher the level of competition that exists between its borders (Pournasir, 2013). One of the environmental influences on the success or failure of a business is how they are able to handle the competitive advantages of its competition (Maorwe, 2011). An organization must be knowledgeable concerning both direct and indirect competitors in the marketplace, what goods and services they provide, and their image in the mind of the consumer population (Chemwei, Leboo and Koech, 2014). Sometimes an organization may decide to go head to head with a competitor when the reasons are not entirely clear that calls for abrupt and flexible implementation of strategies (Kamau, 2015).

2.5 Chapter Summary
This chapter reviewed literature on how employee factors affect strategy implementation in commercial banks, how the organization factors affect strategy implementation in commercial banks and how societal factors affect strategy implementation in commercial banks. The next chapter is on the research design and methodology.
CHAPTER THREE

3.0 RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This section covers the methodology applied in conducting the research. A suitable research methodology is selected so as to achieve the research objectives. The methodology included the research design, population, sample and sampling technique, instruments for data collection, data collection procedure, pilot test and data processing and analysis. The chapter also describes the measurement of variables and the model estimation.

3.2 Research Design

A research design constitutes the blue print for the collection, measurement, and analysis of data. Cooper and Schindler (2014) define research design as the plan and structure of investigation conceived so as to obtain answers to research questions. According to Sekaran and Bougie (2015), research design is a master plan that specifies methods and procedures for collecting and analyzing the needed information. The study adopted a survey research design given its efficiency. This design helps the researcher to understand more about opinions, and attitudes of the respondents (Creswell, 2012). According to Hair (2015), a survey attempts to collect data from members of a population in order to determine the current status of that population with respect to one or more variables. Wibowo (2015) argues that qualitative and quantitative are the two main approaches that define any research.

3.3 Population and Sampling Design

3.3.1 Population

A target population is defined as a group of individuals that have one or more characteristics in common that is of interest to the researcher (Ngechu, 2004). In the research, the target population from whom information was 191 comprised of 42 board members in strategy committee, 42 CEOs, 84 strategy implementers and 23 evaluators in commercial banks. This population was included because it provided the necessary information to adequately answer the research questions.
Table 3.1: Total Population Distribution

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Members</td>
<td>42</td>
<td>22</td>
</tr>
<tr>
<td>CEOs</td>
<td>42</td>
<td>22</td>
</tr>
<tr>
<td>Strategy Implementers</td>
<td>84</td>
<td>44</td>
</tr>
<tr>
<td>Strategy Evaluators</td>
<td>23</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>191</td>
<td>100</td>
</tr>
</tbody>
</table>

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

A sampling frame is a list of all the items where a representative sample is drawn for the purpose of the study (Nachmias and Nachmias, 2008). The sampling frame for this study comprises of board members in strategy committee, CEOs, strategy implementers and evaluators in commercial banks and their information was obtained from the directory of their respective company secretary database (2018).

3.3.2.2 Sampling Techniques

Sampling involves drawing of a target population for observation. It is appropriate when it is not feasible to involve the entire population under study. The sample of the study was identified using stratified sampling technique. A stratified method of sampling was justified because of the following reasons: to provide adequate data for analyzing the various sup-populations: and to enable different research methods and procedures to be used in the different strata (Coopers and Schindler, 2014). The whole population was stratified into four sub-groups: board members in strategy committee, CEOs, strategy implementers and evaluators. This procedure ensured the homogeneity within each stratum and heterogeneity between the sub-stratas. The advantage of this method is that there was statistical efficiency in data collection and analysis (Cooper and Schindler, 2003).

3.3.2.3 Sampling Size

Saunders, Lewis and Thornhill (2016) describe a sample as a subgroup or part of a larger population. Further, the sample size and the technique used were influenced by the availability of resources in particular the financial support and the time available to select the sample and to collect, enter into a computer and analyze the data. The study assumed a confidence level of 95% meaning the response achieved was within either plus or minus
5% of the true state of affairs. The most adequate sample size was established using the statistical formula below that was developed by Yamane.

\[
 n = \frac{N}{1 + N (\alpha)^2}
\]

Where

- \( N \) = Size of the population
- \( N \) = Sample Size
- \( \alpha \) = Margin of Error (\( \alpha = 0.05 \) an estimate within 5% of the true value).

\[
 n = \frac{191}{1 + 191 (0.05)^2} = 129
\]

As per the formula, the sample size that was considered is 129 respondents that was capable of generalizing the findings of the whole population.

### Table 3.2: Sample Size Distribution

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Population</th>
<th>Sample Size</th>
<th>Percentage of Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Members</td>
<td>42</td>
<td>28</td>
<td>67</td>
</tr>
<tr>
<td>CEOs</td>
<td>42</td>
<td>28</td>
<td>67</td>
</tr>
<tr>
<td>Strategy Implementers</td>
<td>84</td>
<td>57</td>
<td>68</td>
</tr>
<tr>
<td>Strategy Evaluators</td>
<td>23</td>
<td>16</td>
<td>70</td>
</tr>
<tr>
<td>Total</td>
<td>191</td>
<td>129</td>
<td>67</td>
</tr>
</tbody>
</table>

### 3.4 Data Collection Methods

Although several tools exist for gathering data, the choice of a particular tool depends on the type of research. Since this study sought to determine the factors influencing the implementation of strategy among commercial banks in Kenya, questionnaire was adopted as the most appropriate data collection instrument tool. A questionnaire is perceived as the most accurate tool for measuring self sufficiency existing relationship, objects or events as well as self-reported beliefs and behaviour (Saunders et al., 2016). The use of questionnaire also makes it possible for descriptive, correlation and inferential
statistical analysis (Saunders et al., 2016). The researcher developed the questionnaire used in this study on the basis of research questions.

The questionnaire was designed to collect both qualitative and quantitative data. It contained both open-ended and closed-ended questions. This design technique ensured ease of administration and still gave the respondent the freedom to express themselves. A four-point likert scale was used for most questions in the survey except for the section dealing with firm background information and a few open-ended questions. Likert type scale is an ordinal scale comprising of a set of qualitative variations of a particular attribute or entity ordered sequentially from least to most (Nunnaly and Bernstein, 2014). The choices of the statements in the questionnaire ranged from strongly agree, agree, disagree and strongly disagree. The Likert type of questions enabled the respondents to answer the questions easily. In addition, this allowed the researcher to carry out the quantitative approach effectively with the use of statistics for data interpretation.

3.5 Research Procedures
The questionnaire was developed by the researcher and a pilot test was carried out thereafter. A pilot test involving 10 respondents was carried out to evaluate the completeness, precision, accuracy and clarity of the questionnaires. This ensured the reliability of the data collection instruments used. Before embarking on the field study, the researcher recruited and trained three research assistants so that they are able to get quality data. Since the data was collected from the top level managers or their equivalent required the booking of appointments. Appointments were booked and the questionnaires administered by the research assistants at agreed times. This approach helps in clarifying any item that requires some explanation by the respondents. The approach also helped to reduce delayed response usually associated with managers where there was no personal contact.

3.6 Data Analysis
Data analysis is the process in which raw data was ordered and organized so as to extract useful information (Cooper and Schindler, 2014). This study generated both quantitative and qualitative data. First, the researcher examined the data collected to make inferences through a series of operations involving editing to eliminate inconsistencies, classification on the basis of similarity and subsequent tabulation to relate variables. Cronbach’s Alpha
Test of Reliability was used to test the reliability of the constructs describing the variables of the study and the result was 0.765. This implies that the number of items under study is internally consistent and they can be used to measure the same construct. According to Nunnally and Bernstein (1994) a-score exceeding 0.7 indicates high internal reliability of the scale items. Despite that, there are still researchers who use different cut-off α-scores like 0.8 or even 0.6 (Garson, 2002). The α-score for the measures ranges from 0.60 to 0.62 which according to Garson (2002) indicate an acceptable level of reliability of the measures.

Quantitative data was analyzed through descriptive statistics and inferential statistics which enable meaningful distribution of scores or measurement using indices and statistics. According to Saunders et al (2016), descriptive statistics utilize numerical and graphical methods to look for patterns in a data set to summarize the information revealed in a data set and to present the information in a convenient form. The main descriptive statistical analysis was used includes mean, percentages and frequencies to cater for the likert scales that had been used in the study. According to Orodho (2014), the advantage of descriptive statistics is that they enable the researcher to use one or more numbers (for instance mean and standard deviation) to indicate the average score and variability of scores of a sample. Inferential statistics such as correlation and regression analysis was used to analyze relationship between variables based on the model specified below.

The general regression equation is:

\[ Y' = a + bX \]

Where:

- \( Y' \) is the predicted value of the \( Y \) variable for a selected \( X \) value.
- \( a \) is the \( Y \)-intercept. It is the estimated value of \( Y \) when \( X = 0 \). In other words it is the estimated value of \( Y \) where the regression line crosses the \( Y \)-axis when \( X \) is zero.
- \( b \) is the slope of the line, or the average change in \( Y' \) for each change of one unit (either increase or decrease) in the independent variable \( X \).
- \( X \) is any value of the independent variable that is selected.

For the case of this study, the regression will be as follows:

\[ Y' \text{ (Implementation of Strategy)} = a + b \text{ Employee Factors} + b \text{ Organization Factors} + b \text{ Social Factors} \]
3.7 Chapter Summary

This chapter presents, explains and justifies the different research approaches, techniques and processes that the researcher adopted in the course of the study. These included the research design, target population, data collection methods and data analysis. The next chapter is on the results and findings of the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter presents the results and the findings based on the research questions. The first segment of this chapter looked at how employee factors affect strategy implementation in commercial banks. The second segment looked at how organization factors affect strategy implementation in commercial banks. The third segment looked at how the societal factors affect strategy implementation in commercial banks.

4.2 Response Rate and Background Information
In the sub-section, response rate and background information are provided. It starts with response rate followed by background information of the respondents.

4.2.1 Response Rate
One hundred and twenty-nine (129) were distributed but one hundred and eight (108) questionnaires were filled with an effective response rate of 84% as indicated in Figure 4.1. The response was adequate enough to answer the research objective.

Figure 4.1: Response Rate
4.2.2 Background of Respondents

This section also provides the general information discussed in this study which consists of responsibility for strategy implementation, work experience in the banking industry, experience in the current position and the highest level of education.

4.2.2.1 Responsibility for Strategy Implementation

The study intended to find out the extent to which the respondents were committed in carrying out strategy implementation among the respondents who participated in the study. The findings in Figure 4.2 established that 9% of the respondents were not committed in strategy implementation, 28% were partially committed in strategy implementation and 63% of the respondents were fully committed in strategy implementation. The findings indicate that majority of the respondents were fully committed in strategy implementation.

![Figure 4.2: Responsibility for Strategy Implementation](image)

4.2.2.2 Work Experience in the Banking Industry

The study intended to find out the respondents work experience among the commercial banks that were included in the study. The findings in Figure 4.3 established that 6% of the respondents had worked for less than 5 years, 28% had worked between 5 to 10 years, 36% had worked between 11 to 15 years and 31% had worked for more than 15 years. The findings suggest that most of the respondents were relatively well experienced.
4.2.2.3 Experience with Current Position

The study intended to find out the respondents work experience in their current position among the commercial banks that were included in the study. The findings in Figure 4.4 established that 6% of the respondents had worked in their current position for less than 5 years, 35% had worked between 5 to 10 years, 27% had worked between 11 to 15 years and 32% had worked in their current position for more than 15 years. The findings suggest that most of the respondents were relatively well experienced and capable of answering the research objectives adequately.
4.2.2.4 Level of Education
The study aimed to determine the respondents’ level of education. The findings in Figure 4.5 established that 8% of the respondents had secondary school education, 37% had university level of education, 33% had college level of education and 22% had doctorate level of education. The findings suggest that most of the respondents were relatively well educated.

![Figure 4.5: Highest Level of Education](image)

4.3 Employee Factors and Strategy Implementation
In this section, the study aimed to examine the influence of employee factors on strategy implementation. This was measured by competent management systems, employee capacity, alignment of employee job, employees’ voluntary motivation towards the achievement of the organization objectives, employees feeling satisfied with their job responsibilities, employee attitude and employees adequately being motivated to give their best at the workplace.

4.3.1 Employee Responsibilities
The study intended to establish how employee responsibilities affect strategy implementation in commercial banks among the respondents who participated in the study.
Table 4.1: Employee Responsibilities

<table>
<thead>
<tr>
<th>Employee Responsibilities and Strategy Implementation</th>
<th>Mean</th>
<th>Rankings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aligning the employee job facilitate the achievement of the organization goals.</td>
<td>3.38</td>
<td>1</td>
</tr>
<tr>
<td>Training enables the employees to achieve the organizational strategy.</td>
<td>2.90</td>
<td>3</td>
</tr>
<tr>
<td>Employees are satisfied with their job responsibilities to achieve the organization goals.</td>
<td>3.18</td>
<td>2</td>
</tr>
</tbody>
</table>

The study established that most of the respondents suggested that aligning the employee job facilitate the achievement of the organization goals at m=3.38. This was followed by the employees’ feeling satisfied with their job responsibilities to achieve the organization goals at a mean of 3.18 and Training enables the employees to achieve the organizational strategy at a mean of 2.90 as indicated in Table 4.1.

4.3.2 Employee Competence

The study intended to establish how employee competence affects strategy implementation in commercial banks among the respondents who participated in the study.

Table 4.2: Employee Competence

<table>
<thead>
<tr>
<th>Employee Competence and Strategy Implementation</th>
<th>Mean</th>
<th>Rankings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee skills facilitate the achievement of the organization strategy.</td>
<td>3.01</td>
<td>2</td>
</tr>
<tr>
<td>The lack of employee capacity hinders the implementation of the organizational strategy.</td>
<td>2.92</td>
<td>3</td>
</tr>
<tr>
<td>Employee attitude positively affects their drive to accomplish the organization objectives.</td>
<td>3.06</td>
<td>1</td>
</tr>
</tbody>
</table>

The study established that most of the respondents suggested that the employee attitude positively affects their drive to accomplish the organization objectives at m=3.06. This was followed by the employees’ skills facilitate the achievement of the organization strategy at a mean of 3.01 and the lack of employee capacity hinders the implementation of the organizational strategy at a mean of 2.92 as indicated in Table 4.2.
4.3.3 Employee Motivation

The study intended to establish how employee motivation affects strategy implementation in commercial banks among the respondents who participated in the study.

Table 4.3: Employee Motivation

<table>
<thead>
<tr>
<th>Employee Motivation</th>
<th>Mean</th>
<th>Rankings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offering recognition to the employees facilitates the implementation of the organization strategic goals.</td>
<td>2.93</td>
<td>3</td>
</tr>
<tr>
<td>There is a set competence management system to achieve the organization goals.</td>
<td>2.83</td>
<td>5</td>
</tr>
<tr>
<td>Employee remuneration influences attainment of the organization results</td>
<td>2.98</td>
<td>1</td>
</tr>
<tr>
<td>Employees are voluntarily motivated towards the achievement of the organization objectives.</td>
<td>2.94</td>
<td>2</td>
</tr>
<tr>
<td>Employees are adequately motivated to give their best at the workplace.</td>
<td>2.85</td>
<td>4</td>
</tr>
</tbody>
</table>

The study established that most of the respondents suggested that the employee remuneration influences attainment of the organization results at m=2.98. This was followed by the employees are voluntarily motivated towards the achievement of the organization objectives at a mean of 2.94. Third, the respondents agreed that offering recognition to the employees facilitates the implementation of the organization strategic goals at a mean of 2.93. Fourth, the respondents agreed that the employees are adequately motivated to give their best at the workplace at a mean of 2.85 and fifth the respondents agreed that there is a set competence management system to achieve the organization goals at a mean of 2.83 as indicated in Table 4.3.

4.3.4 Correlation Between Strategy Implementation and Employee Factors

This section aimed to determine the correlation between strategy implementation and employee factors. The study established that there was a significant relationship between strategy implementation and Employees are voluntarily motivated towards the achievement of the organization objectives at (r=.248, p<0.05) as indicated in Table 4.4.
Table 4.4: Correlation Between Strategy Implementation and Employee Factors

<table>
<thead>
<tr>
<th></th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a set competence management system to achieve the organization goals.</td>
<td>.192*</td>
<td>.047</td>
</tr>
<tr>
<td>The lack of employee capacity hinders the implementation of the organizational strategy.</td>
<td>.035</td>
<td>.718</td>
</tr>
<tr>
<td>Aligning the employee job facilitate the achievement of the organization goals.</td>
<td>-.008</td>
<td>.942</td>
</tr>
<tr>
<td>Employees are voluntarily motivated towards the achievement of the organization objectives.</td>
<td>.248**</td>
<td>.010</td>
</tr>
<tr>
<td>Employees are satisfied with their job responsibilities to achieve the organization goals.</td>
<td>-.134</td>
<td>.188</td>
</tr>
<tr>
<td>Employee attitude positively affects their drive to accomplish the organization objectives.</td>
<td>-.067</td>
<td>.502</td>
</tr>
<tr>
<td>Employees are adequately motivated to give their best at the workplace.</td>
<td>.020</td>
<td>.835</td>
</tr>
</tbody>
</table>

From Table 4.4 above, the only variable that had major influence on the implementation of the organization strategy was employees are voluntarily motivated towards the achievement of the organization objectives. This was followed by there is a set competence management system to achieve the organization goals. But the other factors had very little influence on strategy implementation.

4.3.5 Regression Analysis between Strategy Implementation and Employee Factors

The regression equation between strategy implementation and employee factors indicates that the relationship was strong. The model summary (3, 86) = 1.268; \(R^2=.19\); p<.05) indicates that employee factors causes 19% percent variation in strategy implementation, while the remaining 81% are attributable to other factors not considered in the model. The results are presented in Table 4.5.
**Table 4.5: Regression Analysis between Strategy Implementation and Employee Factors**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.206</td>
<td>.42</td>
<td>.19</td>
<td>.671</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Employee remuneration influences attainment of the organization results, aligning the employee job facilitates the achievement of the organization goals and employee attitude positively affects their drive to accomplish the organization objectives.

Generally, the results in the above Table 4.5 indicated that there was a significant relationship between the employee factors and strategy implementation.

### 4.3.6 ANOVA of Employee Factors and Strategy Implementation

The ANOVA indicates that F=1.268(p<.001) shows that employees factors has a slight significant influence on strategy implementation. The ANOVA results are indicated in Table 4.6.

**Table 4.6: ANOVA of Employee Factors and Strategy Implementation**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1.714</td>
<td>3</td>
<td>.571</td>
<td>1.268</td>
<td>.290b</td>
</tr>
<tr>
<td>1</td>
<td>Residual</td>
<td>38.741</td>
<td>86</td>
<td>.450</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>40.456</td>
<td>89</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Responsibility for strategy implementation

b. Predictors: (Constant), Employee remuneration influences attainment of the organization results, aligning the employee job facilitate the achievement of the organization goals and employee attitude positively affects their drive to accomplish the organization objectives.

The ANOVA results in the above table 4.6 show that employees’ factors have a slight significant influence on strategy implementation.

### 4.3.7 Coefficients of Employee Factors and Strategy Implementation

The key aspects of employee factors that significantly influence strategy implementation were employee remuneration influences attainment of the organization results at ($\beta_3 = .079$, $t=1.775$, p<0.001). The findings are presented in Table 4.7.
### Table 4.7: Coefficients of Employee Factors and Strategy Implementation

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>2.264</td>
<td>.467</td>
<td></td>
<td>4.852</td>
</tr>
<tr>
<td>Aligning the employee job facilitate the achievement of the organization goals.</td>
<td>.024</td>
<td>.091</td>
<td>.028</td>
<td>.261</td>
</tr>
<tr>
<td>Employee attitude positively affects their drive to accomplish the organization objectives.</td>
<td>-.060</td>
<td>.077</td>
<td>-.084</td>
<td>-.787</td>
</tr>
<tr>
<td>Employee remuneration influences attainment of the organization results</td>
<td>.121</td>
<td>.068</td>
<td>.187</td>
<td>1.775</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Responsibility for strategy implementation

The results in the above table 4.7 indicate that staff remuneration was a significant influence on staff motivation, followed by employee job and alignment of employee jobs.

#### 4.4 Organization Factors and Strategy Implementation

In this section, the study aimed to examine the influence of organizational factors on strategy implementation. This was measured by how the organization re-trains employees to be productive in meeting the organization expectations, how the organization sets high productivity standards to influence the achievement of the organization goals, how the organization rewards such as salary increases and promotions are aimed to meet strategy implementation targets within the organization, organization’s culture influencing the implementation of the organization strategy in the last 5 years, new organization values greatly influence the implementation of strategy, organization having systems to ensure high performance and ethical behaviors.

Others were organization having policies regarding the standard acceptable behavior for the achievement of the organization objectives, organization providing the requisite resources towards the accomplishment of its goals and resources, how the collective organization culture is favorable towards the accomplishment of the organization goals, the current organization culture drives the employees towards the accomplishment of the organization objectives and how flat organization structure motivates the employees towards the successful implementation of appropriate strategies.
4.4.1 Organization Structure
The study intended to establish how organization structures affect strategy implementation in commercial banks among the respondents who participated in the study.

<table>
<thead>
<tr>
<th>Organization Structure</th>
<th>N</th>
<th>Mean</th>
<th>Rankings</th>
</tr>
</thead>
<tbody>
<tr>
<td>New organization values greatly influence the implementation of strategy.</td>
<td>108</td>
<td>3.03</td>
<td>1</td>
</tr>
<tr>
<td>The organization has centralized systems to ensure high performance and ethical behaviors.</td>
<td>108</td>
<td>2.79</td>
<td>3</td>
</tr>
<tr>
<td>Flat organization structure motivates the employees towards the successful implementation of appropriate strategies.</td>
<td>108</td>
<td>2.95</td>
<td>2</td>
</tr>
</tbody>
</table>

The study established that most of the respondents suggested that the new organization values greatly influence the implementation of strategy at $m=3.03$. Second, the respondents agreed that the flat organization structure motivates the employees towards the successful implementation of appropriate strategies at $m=2.95$ and the organization has centralized systems to ensure high performance and ethical behaviors at $m=2.79$ as indicated in Table 4.8.

4.4.2 Strategic Priorities
The study intended to establish how the organization strategic priorities affect strategy implementation in commercial banks among the respondents who participated in the study.

<table>
<thead>
<tr>
<th>Strategic Priorities</th>
<th>N</th>
<th>Mean</th>
<th>Rankings</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization’s culture has influenced the implementation of the organization strategy in the last 5 years</td>
<td>108</td>
<td>3.22</td>
<td>1</td>
</tr>
<tr>
<td>The current organization culture drives the employees towards the accomplishment of the organization objectives.</td>
<td>108</td>
<td>2.88</td>
<td>2</td>
</tr>
</tbody>
</table>

The study established that most of the respondents agreed that the organization’s culture has influenced the implementation of the organization strategy in the last 5 years at $m=3.22$ and the current organization culture drives the employees towards the accomplishment of the organization objectives at $m=2.88$ as indicated in Table 4.9.
4.4.3 Resource Allocation

The study intended to establish how organization resource allocation affects strategy implementation in commercial banks among the respondents who participated in the study.

Table 4.10: Resource Allocation

<table>
<thead>
<tr>
<th>Resource Allocation</th>
<th>N</th>
<th>Mean</th>
<th>Rankings</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization re-trains employees to be productive in meeting the organization expectations.</td>
<td>104</td>
<td>2.96</td>
<td>2</td>
</tr>
<tr>
<td>Organization rewards such as salary increases and promotions are aimed to meet strategy implementation targets within the organization</td>
<td>108</td>
<td>3.06</td>
<td>1</td>
</tr>
<tr>
<td>The organization provides the requisite resources towards the accomplishment of its goals and resources.</td>
<td>108</td>
<td>2.85</td>
<td>3</td>
</tr>
</tbody>
</table>

The study established that most of the respondents agreed that the organization rewards such as salary increases and promotions are aimed to meet strategy implementation targets within the organization at m=3.06. Second, the respondents agreed that the organization re-trains employees to be productive in meeting the organization expectations at m=2.96 and the organization provides the requisite resources towards the accomplishment of its goals and resources at m=2.85 as indicated in Table 4.10.

4.4.4 Institutional Policies

The study intended to establish how institutional policies affect strategy implementation in commercial banks among the respondents who participated in the study.

Table 4.11: Institutional Policies

<table>
<thead>
<tr>
<th>Institutional Policies</th>
<th>N</th>
<th>Mean</th>
<th>Rankings</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization has policies regarding the standard acceptable behavior for the achievement of the organization objectives.</td>
<td>108</td>
<td>3.08</td>
<td>1</td>
</tr>
<tr>
<td>The organization sets high productivity standards to influence the achievement of the organization goals.</td>
<td>108</td>
<td>2.99</td>
<td>2</td>
</tr>
</tbody>
</table>

The study established that most of the respondents agreed that the organization has policies regarding the standard acceptable behavior for the achievement of the organization objectives at m=3.08 while the rest of the respondents agreed that organization sets high productivity standards to influence the achievement of the organization goals at m=2.99 as indicated in Table 4.11.
4.4.5 Correlation between Strategy Implementation and Organizational Factors

This section aimed to determine the correlation between strategy implementation and employee factors. The study established that there was a significant relationship between strategy implementation and the organization provides the requisite resources towards the accomplishment of its goals and resources at \( r = .306, p < 0.05 \) as indicated in Table 4.12.

| The organization re-trains employees to be productive in meeting the organization expectations. | Pearson Correlation | .045 |
| The organization sets high productivity standards to influence the achievement of the organization goals. | Pearson Correlation | .132 |
| The organization’s culture has influenced the implementation of the organization strategy in the last 5 years | Pearson Correlation | -.074 |
| New organization values greatly influence the implementation of strategy. | Pearson Correlation | .070 |
| The organization has systems to ensure high performance and ethical behaviors. | Pearson Correlation | .107 |
| The organization has policies regarding the standard acceptable behavior for the achievement of the organization objectives. | Pearson Correlation | .149 |
| The organization provides the requisite resources towards the accomplishment of its goals and resources. | Pearson Correlation | .306** |
| The collective organization culture is favorable towards the accomplishment of the organization goals. | Pearson Correlation | .128 |
| The current organization culture drives the employees towards the accomplishment of the organization objectives. | Pearson Correlation | -.125 |
| Flat organization structure motivates the employees towards the successful implementation of appropriate strategies. | Pearson Correlation | -.048 |

From Table 4.12 above, the only variable that had major influence on the implementation of the organization strategy was that the organization provides the requisite resources...
towards the accomplishment of its goals and resources. The other factors had very little influence on strategy implementation.

4.4.6 Regression Analysis of Organizational Factors and Strategy Implementation

The regression equation between strategy implementation and organizational factors indicates that the relationship was strong. The model summary \((4, 64) = 2.682; R^2=.136; p<.05\) indicates that organizational factors causes 18.5% percent variation in strategy implementation, while the remaining 81.54% are attributable to other factors not considered in the study and one error term. This is outline in Table 4.13.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.369a</td>
<td>.336</td>
<td>.185</td>
<td>.658</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), The organization has policies regarding the standard acceptable behavior for the achievement of the organization objectives, the organization’s culture has influenced the implementation of the organization strategy in the last 5 years, organization rewards such as salary increases and promotions are aimed to meet strategy implementation targets within the organization and new organization values greatly influence the implementation of strategy.

From the multiple regressions Table 4.13, the results indicated that organizational factors played a significant role in strategy implementation.

4.4.7 ANOVA of Organizational Factors and Strategy Implementation

ANOVA result, \(F=2.682(p<.001)\) shows that organizational factors has a significant influence on strategy implementation. The ANOVA results are indicated in Table 4.14.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>4.644</td>
<td>4</td>
<td>1.161</td>
<td>2.682</td>
<td>.039b</td>
</tr>
<tr>
<td>Residual</td>
<td>29.439</td>
<td>68</td>
<td>.433</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>34.082</td>
<td>72</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Responsibility for strategy implementation

b. Predictors: (Constant), The organization has policies regarding the standard acceptable behavior for the achievement of the organization objectives, the organization’s culture has influenced the implementation of the organization strategy in the last 5 years, organization rewards such as salary increases and promotions are aimed to meet strategy implementation targets within the organization and new organization values greatly influence the implementation of strategy.
From the ANOVA results in Table 4.14, the findings show that all the organizational factors have a significant influence on strategy implementation.

**4.4.8 Coefficient of Organizational Factors and Strategy Implementation**

Most of the key aspects of organizational factors significantly influenced strategy implementation. The findings are presented in Table 4.15.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.721</td>
<td>.554</td>
<td>3.103</td>
<td>.003</td>
</tr>
<tr>
<td>New organization values greatly influence the implementation of strategy.</td>
<td>.136</td>
<td>.086</td>
<td>.187</td>
<td>1.596 .115</td>
</tr>
<tr>
<td>The organization’s culture has influenced the implementation of the organization strategy in the last 5 years</td>
<td>-.135</td>
<td>.090</td>
<td>-.170</td>
<td>-1.491 .140</td>
</tr>
<tr>
<td>Organization rewards such as salary increases and promotions are aimed to meet strategy implementation targets within the organization</td>
<td>.124</td>
<td>.080</td>
<td>.178</td>
<td>1.541 .128</td>
</tr>
<tr>
<td>The organization has policies regarding the standard acceptable behavior for the achievement of the organization objectives.</td>
<td>.143</td>
<td>.091</td>
<td>.186</td>
<td>1.567 .122</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Responsibility for strategy implementation

The coefficient results in Table 4.15 indicate that organization values greatly influence the implementation of strategy. This was followed by organizational policies, organizational rewards and organizational culture.
4.5 Socio-Economic and Political Factors and Strategy Implementation

In this section, the study aimed to examine the influence of societal factors on strategy implementation. This was measured by how the government policies inhibit the successful implementation of strategy, unfavorable laws affect the implementation of appropriate strategies, unsupportive tax regimes (system and tax levels) affect the implementation of the bank strategies, political instability have affected the sales of bank products and the government provides a conducive environment for the successful implementation of strategies. Others included good international relations influence the achievement of the organization strategy, the employee culture affects their ability to contribute towards the achievement of the organization strategy, unfavourable market environment affects the implementation of strategy, the stable political climate influence the accomplishment of the organization goals, there are difficulties in attracting funding to finance the implementation of appropriate strategies in the bank and the lack of ICT infrastructure has hindered effective implementation of promotion strategies.

4.5.1 Socio-Economic Factors

The study intended to establish how social economic factors affect strategy implementation in commercial banks among the respondents who participated in the study.

<table>
<thead>
<tr>
<th>Socio-Economic Factors</th>
<th>N</th>
<th>Mean</th>
<th>Rankings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unfavourable market environment affects the implementation of strategy</td>
<td>107</td>
<td>2.90</td>
<td>3</td>
</tr>
<tr>
<td>There are difficulties in attracting funding to finance the implementation of appropriate strategies in the bank.</td>
<td>108</td>
<td>3.12</td>
<td>2</td>
</tr>
<tr>
<td>The employee culture affects their ability to contribute towards the achievement of the organization strategy.</td>
<td>98</td>
<td>3.17</td>
<td>1</td>
</tr>
</tbody>
</table>

The study established that most of the respondents suggested that the employee culture affects their ability to contribute towards the achievement of the organization strategy at m=3.17. This was followed by difficulties in attracting funding to finance the implementation of appropriate strategies in the bank at a mean of 3.12 and lastly the respondents agreed that there are unfavorable market environment affects the implementation of strategy at a mean of 2.90 as indicated in Table 4.16.
4.5.2 Political-Legal Factors

The study intended to establish how the political-legal factors affect strategy implementation in commercial banks among the respondents who participated in the study.

<table>
<thead>
<tr>
<th>Political-Legal Factors</th>
<th>N</th>
<th>Mean</th>
<th>Rankings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government policies inhibit the successful implementation of strategy.</td>
<td>108</td>
<td>2.93</td>
<td>3</td>
</tr>
<tr>
<td>Unsupportive tax regimes (system and tax levels) affect the implementation of the bank strategies.</td>
<td>107</td>
<td>2.91</td>
<td>4</td>
</tr>
<tr>
<td>Political instability have affected the sales of bank products</td>
<td>106</td>
<td>2.63</td>
<td>6</td>
</tr>
<tr>
<td>The stable political climate influence the accomplishment of the organization goals</td>
<td>108</td>
<td>3.14</td>
<td>1</td>
</tr>
<tr>
<td>Unfavorable laws affect the implementation of appropriate strategies.</td>
<td>108</td>
<td>3.00</td>
<td>2</td>
</tr>
<tr>
<td>Good international relations influence the achievement of the organization strategy.</td>
<td>107</td>
<td>2.70</td>
<td>5</td>
</tr>
</tbody>
</table>

The study established that most of the respondents suggested that the stable political climate influence the accomplishment of the organization goals at m=3.14. This was followed by unfavorable laws affect the implementation of appropriate strategies at a mean of 3.00. Third, the respondents agreed that the government policies inhibit the successful implementation of strategy at a mean of 2.93. Fourth, the respondents agreed that unsupportive tax regimes (system and tax levels) affect the implementation of the bank strategies at a mean of 2.91. Lastly the respondents agreed that political instability have affected the sales of bank products at a mean of 2.63 as indicated in Table 4.17.

4.5.3 Technological and Ecological Issues

The study intended to establish how technological and ecological issues affect strategy implementation in commercial banks among the respondents who participated in the study.

<table>
<thead>
<tr>
<th>Technological and Ecological Issues</th>
<th>N</th>
<th>Mean</th>
<th>Rankings</th>
</tr>
</thead>
<tbody>
<tr>
<td>The lack of ICT infrastructure has hindered effective implementation of promotion strategies</td>
<td>108</td>
<td>3.02</td>
<td>1</td>
</tr>
<tr>
<td>The government provides the right ICT infrastructure for a conducive business environment for the successful implementation of strategies.</td>
<td>107</td>
<td>2.83</td>
<td>2</td>
</tr>
</tbody>
</table>
The study established that most of the respondents suggested that the lack of ICT infrastructure has hindered effective implementation of promotion strategies at a mean of 3.02 while a small number of the respondents agreed that the government provides the right ICT infrastructure for a conducive business environment for the successful implementation of strategies at a mean of 2.83 as indicated in Table 4.18.

### 4.5.4 Correlation between Societal Factors and Strategy Implementation

This section aimed to determine the correlation between strategy implementation and societal factors.

#### Table 4.19: Correlation between Societal Factors and Strategy Implementation

<table>
<thead>
<tr>
<th>Responsibility for strategy implementation</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>New organization values greatly influence the implementation of strategy.</td>
<td>Pearson Correlation</td>
<td>.070</td>
<td>.497</td>
</tr>
<tr>
<td>The organization has systems to ensure high performance and ethical behaviors.</td>
<td>Pearson Correlation</td>
<td>.107</td>
<td>.305</td>
</tr>
<tr>
<td>The organization has policies regarding the standard acceptable behavior for the achievement of the organization objectives.</td>
<td>Pearson Correlation</td>
<td>.149</td>
<td>.154</td>
</tr>
<tr>
<td>The organization provides the requisite resources towards the accomplishment of its goals and resources.</td>
<td>Pearson Correlation</td>
<td>.306**</td>
<td>.001</td>
</tr>
<tr>
<td>The collective organization culture is favorable towards the accomplishment of the organization goals.</td>
<td>Pearson Correlation</td>
<td>.128</td>
<td>.189</td>
</tr>
<tr>
<td>The current organization culture drives the employees towards the accomplishment of the organization objectives.</td>
<td>Pearson Correlation</td>
<td>-.125</td>
<td>.198</td>
</tr>
<tr>
<td>Flat organization structure motivates the employees towards the successful implementation of appropriate strategies.</td>
<td>Pearson Correlation</td>
<td>-.048</td>
<td>.620</td>
</tr>
</tbody>
</table>

The study established that there was a significant relationship between strategy implementation and the organization providing the requisite resources towards the accomplishment of its goals and resources at (r=.306, p<0.05) as indicated in Table 4.19.
4.5.5 Regression Analysis of Socio-economic, political and technological factors and Strategy Implementation

The regression equation between strategy implementation and societal factors indicates that the relationship was strong.

Table 4.20: Regression Analysis of Strategy Implementation and Societal Factors

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.340a</td>
<td>.316</td>
<td>.186</td>
<td>.640</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), the lack of ICT infrastructure has hindered effective implementation of promotion strategies; the employee culture affects their ability to contribute towards the achievement of the organization strategy and the stable political climate influence the accomplishment of the organization goals.

The model summary \((3, 89) = 3.890; R^2 = .186; p<.05\) indicates that societal factors causes 11.6% percent variation in strategy implementation. While the remaining 88.4% are attributable to other factors not considered in the study and one error term. This is outline in Table 4.20.

4.5.6 ANOVA of Strategy Implementation and Societal Factors

ANOVA result, \(F = 3.890 \ (p<.001)\) shows that societal factors has a significant influence on strategy implementation. The ANOVA results are indicated in Table 4.21.

Table 4.21: ANOVA of Strategy Implementation and Organizational Factors

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>4.774</td>
<td>3</td>
<td>1.591</td>
<td>3.890</td>
<td>.012b</td>
</tr>
<tr>
<td>Residual</td>
<td>36.409</td>
<td>89</td>
<td>.409</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>41.183</td>
<td>92</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Responsibility for strategy implementation
b. Predictors: (Constant), the lack of ICT infrastructure has hindered effective implementation of promotion strategies; the employee culture affects their ability to contribute towards the achievement of the organization strategy and the stable political climate influence the accomplishment of the organization goals

4.5.7 Coefficients of Strategy Implementation and Societal Factors

The key aspects of societal factors that significantly influence strategy implementation were employee remuneration influences attainment of the organization results at \(\beta_2 = .007, t=2.750, p<0.001\) and \(\beta_3 = .013, t=2.548, p<0.001\). The findings are presented in Table 4.22.
Table 4.22: Coefficients of Strategy Implementation and Organizational Factors

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.684</td>
<td>.344</td>
<td>7.804</td>
<td>.000</td>
</tr>
<tr>
<td>The employee culture affects their ability to contribute towards the achievement of the organization strategy.</td>
<td>.017</td>
<td>.082</td>
<td>-.021</td>
<td>-.017</td>
</tr>
<tr>
<td>The stable political climate influence the accomplishment of the organization goals</td>
<td>.213</td>
<td>.077</td>
<td>.285</td>
<td>2.750</td>
</tr>
<tr>
<td>The lack of ICT infrastructure has hindered effective implementation of promotion strategies</td>
<td>.182</td>
<td>.071</td>
<td>.267</td>
<td>2.548</td>
</tr>
</tbody>
</table>

4.6 Chapter Summary

The findings on how employee factors affect strategy implementation indicate that strategy implementation fails on the vagueness of the employee job assignment or responsibilities. The findings on how organization factors affect strategy Implementation indicate that organizational culture shapes and controls behaviour within the organization. Organizational culture influences how people respond to a situation within the work environment. The findings on how societal factors affect strategy implementation indicate that employee culture affects their ability to contribute towards the achievement of the organization strategy. The next chapter provides summary of the findings, discussion, conclusion and recommendations.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
In this section, the researcher provides a discussion on the findings of the research as compared to the findings in the literature review, the summary of the study and recommendations for further improvement on the factors affecting strategy implementation among commercial banks in Kenya. The research is concluded on the basis of the conclusions drawn from the research questions.

5.2 Summary of the Study
The purpose of the study was to investigate the factors affecting strategy implementation among commercial banks in Kenya. The study sought to answer the following specific research questions: How do employee factors affect strategy implementation in commercial banks? How do organization factors affect strategy implementation in commercial banks? And how do the societal factors affect strategy implementation in commercial banks?

The study adopted a survey research design using both quantitative and qualitative approaches. This study generated quantitative data. The sample of the study was identified using stratified sampling technique. The research was limited to 129 respondents from 43 commercial banks. In this study, a questionnaire was the most appropriate tool. The questionnaire was developed by the researcher and a pilot test was carried out thereafter. A pilot test involving 10 respondents was carried out to evaluate the completeness, precision, accuracy and clarity of the questionnaires. The main descriptive statistical analysis was used includes mean, percentages and frequencies. Inferential statistics such as correlation and regression analysis was used to analyze relationship between variables.

The findings on how employee factors affect strategy implementation indicate that strategy implementation fails on the vagueness of the employee job assignment or responsibilities. Employee skills represent a valuable intangible asset in strategy implementation. Employee remuneration plays an important role in implementation of the strategy. Training is essential in the implementation of strategy. Lack of training in strategic implementation among employees is one of the challenges facing effective
implementation of strategies in the organization. Employees need to be competent and the system put in place must make sure that the proper selections are made for organizations to adopt a complete quality management philosophy to outdo the competition in the market.

The findings on how organization factors affect strategy implementation indicate that organizational culture shapes and controls behaviour within the organization. Organizational culture influences how people respond to a situation within the work environment. Successful strategy implementation needs good policies. Organizational rewards have always been the core of implementing organizational strategies. Organizational values are essential components in the guidance of anticipatory and goal-directed behaviour that influence the implementation of strategy. Organizational values provide the basic foundation for the implementation of strategy. The lack of resources may lead to the failure of strategy implementation.

The findings on how societal factors affect strategy implementation indicate that employee culture affects their ability to contribute towards the achievement of the organization strategy. Organizations need a deeper understanding of the employee needs by facilitating the development of appropriate strategies so as to be implemented successfully. The political climate can affect the implementation of organization strategy. The optimal use of ICT helps organization to create products and deliver services efficiently and effectively thereby helps in improving organizational competitiveness, increasing productivity, and enhancing firm performance through the implementation of appropriate strategies.

5.3 Discussion
5.3.1 Employee Factors and Strategy Implementation
One of the reasons why strategy implementation frequently result in difficult and complex problems or even fail at all is the vagueness of the employee job assignment or responsibilities. The findings established that most of the respondents suggested that aligning the employee job facilitate the achievement of the organization goals. Rapa and Kauffman (2005) suggests that failure to implement strategies is because employee job responsibilities are diffused through numerous organizational units resulting in unclear individual responsibilities in the process of strategy implementation. Elwak (2014) adds
that in any organization, the employees are charged with the mandate of implementation of the strategy.

The failure of a strategy may affect an organization negatively and these may include staff de-motivation which may lead to failure to implement strategy (Hitt, Ireland and Hoskisson, 2015). On the other hand, the findings revealed that those employees who are satisfied with their job responsibilities, it may lead to the achievement of the organization goals. Rapa and Kauffman (2005) adds that clear job responsibilities prevent potential problems related to the implementation of the organization strategy. Clear job assignment leads to positive employee attitude. Positive attitude drives the employee motivation to achieve the organization goals.

The findings established that the employee attitude positively affects their drive to accomplish the organization objectives. Similarly, Eagly & Chaiken (2016) argues that positive attitude helps shape employees behaviour to implement organization strategy. Employee skills represent a valuable intangible asset. The findings established that the employee skills facilitate the achievement of the organization strategy. Employee skills are a key factor in becoming the most successful factor in strategy implementation. Lorange (2008) argues that the major reason for failure of strategy implementation is the absence of employee skills. Strategy implementation requires competent employees but most organizations ignore the impact of hardworking workers. Banks need the right resources and capabilities to utilize the employee capabilities to meet its strategic goals. Bossidy and Charan (2012) points out that employee competence is more than their skills but due to the worker’s flexibility.

Training is essential in the implementation of strategy. The findings established that a small number of the respondents agreed that training enables the employees to achieve the organizational strategy. Omutoko (2009) deduced that lack of training in strategic implementation among employees is one of the challenges facing effective implementation of strategies in the organization. Consistent with Lankeu and Maket (2012) study, training can facilitate the implementation of the organization strategy as well as guarantee superior organizational performance. On the other hand, Obomate (2016) established that if after training and development the compensation and benefits package are less compared to similar organizations, employees may exit the firm to join
others which they consider are better hence the organizations may not achieve its strategy implementation.

Employee remuneration also plays an important role in implementation of the strategy. The findings established that the employee remuneration influences attainment of the organization results. However, the findings established that fewer respondents agreed that employees are adequately motivated to give their best at the workplace. Lankeu and Maket (2012) study observed that while the firms had skilled employees issues such as lack of worker motivation can cause failure of strategic implementation. The findings also established that very few respondents agreed that there is a set competence management system to achieve the organization goals. Consistently, Hrebiniax (2013) argues that for strategy implementation to achieve success optimally, the employees need to be competent and the system put in place must make sure that the proper selections are made for an organizations to adopt a complete quality management philosophy to outdo the competition in the market.

5.3.2 Organization Factors and Strategy Implementation
Organizational culture shapes and controls behaviour within the organization. The findings established that most of the respondents suggested that the organization’s culture has influenced the implementation of the organization strategy in the last 5 years. This shows that there is a significant link between organization culture and strategy implementation. According to Jones (2014) organizational culture influences how people respond to a situation within the work environment. Tharp (2013) adds that organizational culture acts as a means through which the organization interacts with its internal and external environment. It holds the organization together and for others, the “compass” that provides direction towards the implementation of strategy. When implementing strategy it influences how management will grow the business, how it will build loyal clientele and out-compete its rivals (Hough et al., 2008).

While most organizations have good plans and strategies, successful strategy implementation needs good policies. The findings established that the organization has policies regarding the standard acceptable behavior for the achievement of the organization objectives. According to Bryson (2014) organizational policies results in the implementation of the organization’s strategic plan. The policies helps direct the
organization plans in uncertain situations with due diligence. Without a policy, the
organization is like a ship without a rudder. Policy enables an organization to survive,
remain relevant, competitive and grow. Ige, Adeyeye and Aina (2011) adds that for any
organization to survive through accrued knowledge, economic and political governance,
there has to be policies put in place for executing its strategies. The policy can also get
middle managers to commit to strategies developed by top level management during the
implementation process.

Corporations often find it difficult to carry out their strategies because they have
executive compensation systems that measure and reward performance in a way that
ignores or even frustrates strategic thinking, planning, and action. The findings
established that the organization rewards such as salary increases and promotions are
aimed to meet strategy implementation targets within the organization. Similarly, Aosa
(2012) argues that organizational rewards have always been the core of implementing
organizational strategies. The organizations that succeed well in the implementation of
strategies are the ones that offer the best reward. The objective of the organization
rewards is to drive desired behaviours among the employees that will ensure success in
the implementation of strategies. Bonoma (2014) recommends that the reward strategy
should contribute to business performance and results and to the satisfaction and
engagement of employees.

Organizational values are essential components in the guidance of anticipatory and goal-
directed behaviour that influence the implementation of strategy. The findings established
that new organization values greatly influence the implementation of strategy. Values are
enduring beliefs which guide the actions and judgments across specific situations and
beyond. Organizational values provide the basic foundation for the implementation of
strategy (Aosa, 2012). Shared values are often institutionalized and reflect what is
important to the members of the organization. Organizational values once established, can
have a significant impact upon the adoption and the implementation of strategy. Schaap
(2012) suggests that organizational values and the values of top management need not be
shared throughout an organization for effective strategy formulation. However,
Leontiades (2013) suggested that the lack of shared organizational values may seriously
impact upon the successful implementation of strategies. Bonoma (2014) suggests that
unless there is a clear sense of purpose and direction, implementation efforts may fail
regardless of how excellent the marketing strategy may be. Schwartz and Davis (2011) indicate that the greater the level of shared organizational values, the greater the likelihood of characteristic behaviour leading to successful or unsuccessful organizational performance.

Banks have implemented high productivity standards efforts to meet organizational goals. The findings established that the organization sets high productivity standards to influence the achievement of the organization goals. High productivity and meeting organizational goals are strategically linked (Biekpe and Kiweu, 2010). Roberto and Arocas (2017) also argue that sufficient resources are another crucial factor in strategy implementation. The findings established that a small number of the respondents agreed that the organization provides the requisite resources towards the accomplishment of its goals and resources.

The lack of resources, on the other hand, may lead to the failure of strategy implementation. For one, implementing strategy, in most cases, take more time than expected or planned beforehand (Schaap, 2012). Porter (2005) suggests that the board members sometimes underestimate the time needed to complete a strategy implementation. Time is pressured even more if priorities are not set correctly. It should therefore be clear to all employees involved in the implementation are of most priority for execution. This includes implementation activities but also regular work and other projects. If priorities are not defined properly, it could either cause loss of attention for the strategy implementation or loss of attention for the regular work and other projects. Both could lead to problems in the organization (Neilson et al., 2008).

5.3.3 Societal Factors and Strategy Implementation
The social factors includes the cultural, ecological, demographic, religious, educational, and ethical factors that affect the organization effort of satisfying people’s desires and needs of the organization in implementing strategies in response to the changing business environment. The findings established that most of the respondents suggested that the employee culture affects their ability to contribute towards the achievement of the organization strategy. Kibera (1996) suggests that establishing a business without considering the consumers needs, their way of life and working may lead to business failure. Organizations need a deeper understanding of the employee needs by facilitating the development of appropriate strategies so as to be implemented successfully.
The political climate can affect the implementation of organization strategy. The findings established that the stable political climate influence the accomplishment of the organization goals. Similarly, Saffold (2005) argues that the political environment can shape the operations of an organization through its authority causing effects at the strategic implementation process. O’Conor (2000) adds that the political environment is influenced by political forces such as political trends, government policies and interventions and political risks. Political risks may affect employment terms that directly affect employee contribution in strategic management. Also, Root (1998) argues that the political stability determine the attractiveness to work in a particular organization depending on its location. If the premise is prone to political war breakouts, this would definitely affect the ability of the employee to contribute towards strategy implementation.

The lack of consistent legislation and effective polices can affect the operations of a company. The findings established that unfavorable laws affect the implementation of appropriate strategies. Consistently, Johnson, Scholes &Whittington (2008) agrees that unfavourable laws affect the genuine efforts of a company towards the implementation of strategy. This shows that unfavourable legal forces affect the operations of companies. However, the findings indicated that a small number of the respondents agreed that the government provides a conducive environment for the successful implementation of strategies.

Funding is necessary for the survival and the implementation of strategic plans. The findings established that there are difficulties in attracting funding to finance the implementation of appropriate strategies in the bank. Kamau (2015) argues that the strategy implementation team needs to determine sources of funds that include appropriate mix of debt and equity in an organization’s capital structure to enable smooth implementation of strategic plans. Pearce and Robinson (2007) adds that the lack of sufficient funds for investment generally translates into lack of sufficient funds to buy equipment and machinery which are used in the production process thereby hampering an organizational ability to implement its strategy. Vincent (2006) explains that organizations require funds to respond to environmental changes and implementation of strategies. Having funds is also important because they are needed in recruitment of the best qualified workers and implementation of strategy (Desimone, Werner and Harris,
It clearly makes sense to capitalize on funding to help an organization attain its mission and implement its strategies. Through funding, the internal and external environment can be thoroughly scanned to identify opportunities and threats and to enable the development of appropriate strategies to explore the opportunities and overcome the threats (Pearce & Robinson, 2007).

Optimal use of ICT helps organization to create products and deliver services efficiently and effectively thereby helps in improving organizational competitiveness, increasing productivity, and enhancing firm performance through the implementation of appropriate strategies. The findings established that the lack of ICT infrastructure has hindered effective implementation of promotion strategies. Gunga (2008) argues that adoption of ICT leads to reduced transaction costs, improved access to timely and usable knowledge, improved communications with markets and within supply chain, acquisition of appropriate skills for enhancement and improved information about new opportunities. Kotter and Armstrong (2004) argue that technological change is perhaps the most dynamic force shaping the organization destiny hence not keep up with the rapid technological change makes a company miss out on new product and market opportunities.

5.4 Conclusions
5.4.1 Employee Factors and Strategy Implementation
Strategy implementation fails on the vagueness of the employee job assignment or responsibilities. Employees satisfied with their job responsibilities lead to the achievement of the organization goals. Clear job assignment leads to positive employee attitude. Employee skills represent a valuable intangible asset in strategy implementation. Employee remuneration plays an important role in implementation of the strategy. Training is essential in the implementation of strategy. Lack of training in strategic implementation among employees is one of the challenges facing effective implementation of strategies in the organization. Employees need to be competent and the system put in place must make sure that the proper selections are made for organizations to adopt a complete quality management philosophy to outdo the competition in the market.
5.4.2 Organization Factors and Strategy Implementation
Organizational culture shapes and controls behaviour within the organization. Organizational culture influences how people respond to a situation within the work environment. Successful strategy implementation needs good organizational policies. The policies help direct the organization plans in uncertain situations with due diligence. Organizational rewards have always been the core of implementing organizational strategies. Organizational values are essential components in the guidance of anticipatory and goal-directed behaviour that influence the implementation of strategy. Organizational values provide the basic foundation for the implementation of strategy. The lack of resources may lead to the failure of strategy implementation.

5.4.3 Societal Factors and Strategy Implementation
Employee culture affects their ability to contribute towards the achievement of the organization strategy. Organizations need a deeper understanding of the employee needs by facilitating the development of appropriate strategies so as to be implemented successfully. The political climate can affect the implementation of organization strategy. Political risks may affect employment terms that directly affect employee contribution in strategic management. The lack of consistent legislation and effective polices can affect the operations of a company in the implementation of strategy. Funding is necessary for the survival and the implementation of strategic plans. The optimal use of ICT helps organization to create products and deliver services efficiently and effectively thereby helps in improving organizational competitiveness, increasing productivity, and enhancing firm performance through the implementation of appropriate strategies.

5.5 Recommendations
5.5.1 Recommendations for the Study
5.5.1.1 Employee Factors and Strategy Implementation
The study recommends that aligning the responsibilities of the employee facilitates the achievement of the organization goals. Employees who are satisfied with their job responsibilities lead to the achievement of the organization goals. Clear job assignment leads to positive employee attitude. This means that there should be a positive attitude to shape the employees behaviour to implement organization strategy. Employee skills should be an important factor in strategy implementation. Strategy implementation requires competent employees. Employee remuneration should play an important role in
implementation of the strategy. Training should be essential in the implementation of strategy. Employees need to be competent and the system put in place to make sure that the proper selections are made for an organizations to adopt a complete quality management philosophy to outdo the competition in the market.

5.5.1.2 Organization Factors and Strategy Implementation
The study recommends that organizational culture should shape and control behaviour of the employees within the organization to achieve strategy implementation. Most banks should have good plans and strategies to successful implement their strategies. Organization rewards should be provided to drive the desired behaviours among the employees that will ensure success in the implementation of strategies. Ultimately, the reward strategy should contribute to business performance and result to the satisfaction and engagement of employees. The organizational values should provide the basic foundation for the implementation of strategy. The banks should implement high productivity standards efforts to meet organizational goals. There should be sufficient resources to enable strategy implementation.

5.5.1.3 Societal Factors and Strategy Implementation
The study recommends that organization should satisfying employee desires and needs of the organization in implementing strategies in response to the changing business environment. Organizations need a deeper understanding of the employee needs by facilitating the development of appropriate strategies so as to be implemented successfully. The political climate should positively influence the implementation of the organization strategy. There should be consistent legislation and effective polices to positively influence the implementation of appropriate strategies. The government should provide a conducive environment for the successful implementation of strategies. Funding is necessary for the survival and the implementation of strategic plans. The optimal use of ICT should help organization to create products and deliver services efficiently and effectively thereby helps in improving organizational competitiveness, increasing productivity, and enhancing firm performance through the implementation of appropriate strategies.
5.5.2 Suggestions for Further Studies
The current study investigated the factors affecting strategy implementation among commercial banks in Kenya. The researcher recommends another study can be conducted on factors affecting strategy implementation in other sectors.
REFERENCES


APPENDICES

APPENDIX I: INTRODUCTORY LETTER

Dear Sir/Madam,

RE: FACTORS AFFECTING STRATEGY IMPLEMENTATION

I am pleased to inform you that I am a student at United States International University pursuing a degree of Masters in Business Administration (MBA). As partial fulfillment for my degree, I am conducting a research on the factors affecting strategy implementation among commercial banks in Kenya.

Please note that any information you give will be treated with confidentiality and at no instance will it be used for any other purpose other than for this project. Your assistance will be highly appreciated. I look forward to your prompt response.

Thank you for your cooperation!

Yours faithfully,

Ibrahim Noor Adan (Researcher)
APPENDIX II: QUESTIONNAIRES

PART A: GENERAL INFORMATION

1. Company Representative
   [ ] Manager          [ ] Finance Manager   [ ] Business Development Manager
   [ ] Human Resource Manager                [ ] Strategy Development Manager
   Other (please specify) __________________

2. Indicate to what extent you are responsible for your organization’s strategy implementation:
   [ ] No Responsibility    [ ] Partly Responsible    [ ] Fully Responsible

3. For how long have you worked for the bank?
   Less than 5 years   [ ]
   5-10 years       [ ]
   11-15 years      [ ]
   More than 15 years   [ ]

4. For how long have you worked in your current position?
   Less than 5 years   [ ]
   5-10 years       [ ]
   11-15 years      [ ]
   More than 15 years   [ ]

5. Highest Level of Education:
   Secondary school      [ ]
   Doctorate Level       [ ]
   College level        [ ]
   University level     [ ]
   Masters level        [ ]
   Others (Specify)________
**PART B: EMPLOYEE FACTORS AND STRATEGY IMPLEMENTATION**

Kindly indicate the extent to which you agree with the following statements by using a scale of 1 to 4 where 1 = strongly disagree and 4 = strongly agree. Circle (O) which best describes your opinion of the statement in reference to how employee skills affect strategy implementation in commercial banks.

<table>
<thead>
<tr>
<th>Employee Factors and Strategy Implementation in Commercial Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Training enables the employees to achieve the organizational strategy.</td>
</tr>
<tr>
<td>2. Offering recognition to the employees facilitates the implementation of the organization strategic goals.</td>
</tr>
<tr>
<td>3. Employee skills facilitate the achievement of the organization strategy.</td>
</tr>
<tr>
<td>4. Employee remuneration influences attainment of the organization results.</td>
</tr>
<tr>
<td>5. There is a set competence management system to achieve the organization goals.</td>
</tr>
<tr>
<td>6. The lack of employee capacity hinders the implementation of the organizational strategy.</td>
</tr>
<tr>
<td>7. Aligning the employee job facilitate the achievement of the organization goals.</td>
</tr>
<tr>
<td>8. Employees are voluntarily motivated towards the achievement of the organization objectives.</td>
</tr>
<tr>
<td>9. Employees are satisfied with their job responsibilities to achieve the organization goals.</td>
</tr>
<tr>
<td>10. Employee attitude positively affects their drive to accomplish the organization objectives.</td>
</tr>
<tr>
<td>11. Employees are adequately motivated to give their best at the workplace.</td>
</tr>
</tbody>
</table>

12. What other employee skills affect strategy implementation in your organization?
PART C: ORGANIZATION FACTORS AND STRATEGY IMPLEMENTATION

Kindly indicate the extent to which you agree with the following statements by using a scale of 1 to 4 where 1 = strongly disagree and 4 = strongly agree. Circle (O) which best describes your opinion of the statement in reference to how organization structure affects strategy implementation in commercial banks.

<table>
<thead>
<tr>
<th>Organization Factors and Strategy Implementation in Commercial Banks</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The organization re-trains employees to be productive in meeting the organization expectations.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2. The organization sets high productivity standards to influence the achievement of the organization goals.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>3. Organization rewards such as salary increases and promotions are aimed to meet strategy implementation targets within the organization</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>4. The organization’s culture has influenced the implementation of the organization strategy in the last 5 years</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>5. New organization values greatly influence the implementation of strategy.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>6. The organization has systems to ensure high performance and ethical behaviors.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>7. The organization has policies regarding the standard acceptable behavior for the achievement of the organization objectives.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>8. The organization provides the requisite resources towards the accomplishment of its goals and resources.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>9. The collective organization culture is favorable towards the accomplishment of the organization goals.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>10. The current organization culture drives the employees towards the accomplishment of the organization objectives.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>11. Flat organization structure motivates the employees towards the successful implementation of appropriate strategies.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

12. What other organizational factors affect strategy implementation in your organization?
PART D: SOCIETAL FACTORS AND STRATEGY IMPLEMENTATION

Kindly indicate the extent to which you agree with the following statements by using a scale of 1 to 4 where 1= strongly disagree and 4 = strongly agree. Circle (O) which best describes your opinion of the statement in reference to how organizational style affects strategy implementation in commercial banks.

<table>
<thead>
<tr>
<th>Societal factors and Strategy Implementation in Commercial Banks</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Government policies inhibit the successful implementation of strategy.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2. Unfavorable laws affect the implementation of appropriate strategies.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>3. Unsupportive tax regimes (system and tax levels) affect the implementation of the bank strategies.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>4. Political instability have affected the sales of bank products</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>5. The government provides a conducive environment for the successful implementation of strategies.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>6. Good international relations influence the achievement of the organization strategy.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>7. The employee culture affects their ability to contribute towards the achievement of the organization strategy.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>8. Unfavourable market environment affects the implementation of strategy</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<tr>
<td>9. The stable political climate influence the accomplishment of the organization goals</td>
<td>1</td>
<td>2</td>
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<tr>
<td>10. There are difficulties in attracting funding to finance the implementation of appropriate strategies in the bank.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>11. The lack of ICT infrastructure has hindered effective implementation of promotion strategies</td>
<td>1</td>
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</table>

12. What other societal factors affect strategy implementation in your organization?

________________________________________________________________________

________________________________________________________________________

THANK YOU FOR YOUR RESPONSE
### APPENDIX III: LIST OF COMMERCIAL BANKS

<table>
<thead>
<tr>
<th>RANK</th>
<th>BANK</th>
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<tbody>
<tr>
<td><strong>6 LARGE BANKS</strong></td>
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</tr>
<tr>
<td>1</td>
<td>Kenya Commercial Bank Ltd</td>
</tr>
<tr>
<td>2</td>
<td>Equity Bank Ltd</td>
</tr>
<tr>
<td>3</td>
<td>Co-operative Bank of Kenya Ltd</td>
</tr>
<tr>
<td>4</td>
<td>Barclays Bank of Kenya Ltd</td>
</tr>
<tr>
<td>5</td>
<td>Standard Chartered Bank Kenya Ltd</td>
</tr>
<tr>
<td>6</td>
<td>CFC Stanbic Bank Kenya Ltd</td>
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<td><strong>14 MEDIUM BANKS</strong></td>
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<tr>
<td>7</td>
<td>Commercial Bank of Africa Ltd</td>
</tr>
<tr>
<td>8</td>
<td>I &amp; M Bank Ltd</td>
</tr>
<tr>
<td>9</td>
<td>Diamond Trust Bank Kenya Ltd</td>
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<tr>
<td>10</td>
<td>NIC Bank Ltd</td>
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<tr>
<td>11</td>
<td>Citibank, N.A. Kenya</td>
</tr>
<tr>
<td>12</td>
<td>National Bank of Kenya Ltd</td>
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<tr>
<td>13</td>
<td>Chase Bank Ltd (Receivership)</td>
</tr>
<tr>
<td>14</td>
<td>Bank of Africa Kenya Ltd</td>
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<tr>
<td>15</td>
<td>Bank of Baroda Kenya Ltd</td>
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<td>16</td>
<td>Prime Bank Ltd</td>
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<td>18</td>
<td>Family Bank Ltd</td>
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<tr>
<td>19</td>
<td>Imperial Bank Ltd (Under Receivership)</td>
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<td>20</td>
<td>Bank of India Ltd</td>
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<tr>
<td><strong>23 SMALL BANKS</strong></td>
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<td>Consolidated Bank of Kenya</td>
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<td>Gulf African Bank Ltd</td>
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<td>African Banking Corporation Ltd</td>
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<td>Mayfair Bank Kenya Ltd</td>
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<td>28</td>
<td>Fidelity Commercial Bank Ltd</td>
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<td>Sidian Bank Ltd</td>
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<td>Charterhouse Bank Ltd (Under Statutory Management)</td>
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<td>Habib Bank Ltd</td>
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<td>Paramount Universal Bank</td>
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<td>M-Oriental Bank Ltd</td>
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<td>Middle East Bank Kenya Ltd</td>
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<td>UBA Kenya Ltd</td>
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<td>DIB Bank Kenya Ltd</td>
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<td>43</td>
<td>Jamii Bora Bank Ltd</td>
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</tbody>
</table>

Source: CBK (2016)