Relationship between Strategy Implementation and Performance in Commercial Banks in Nairobi County Kenya

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Abstract

A Strategy is an essential management contrivance in any organization today. The tests of the modern business environment and fast changing global economy demands high productivity speed and flexibility for organizations that seeks to thrive. In order to achieve the required efficiency and effectiveness, organizations must change their structure strategically. The main aim of this research work was to analyze the key drivers affecting strategy implementation in the commercial banks in Nairobi, Kenya. Specifically the study endeavored to determine whether communication systems affect implementation of strategy in commercial banks, establish whether leadership styles affect implementation of strategy in commercial banks, establish whether organizational structure affect implementation of strategy in commercial banks and establish whether organizational culture affects the implementation of strategy in commercial banks in Nairobi, Kenya. The study adopted a descriptive and quantitative design. The study targeted top management of the head offices of listed commercial banks in Nairobi consisting of a total of 191 respondents. The data generated by the study after fieldwork was edited, coded then entered into a computer for processing using the Statistical Package for Social Sciences (SPSS v. 21.0). Descriptive and inferential statistics were used to analyze information generated from respondents. The data collected has been presented by use of percentages, frequency distributions, tables and figures. From the research work findings, the study concluded that those listed commercial banks at NSE in Nairobi County-Kenya that invested heavily in innovation in effective communication systems, inspirational leadership, functional organization structure and culture recorded high level of strategic implementation performance revealed by unanimous consent of "Good strategies implemented has increased our profitability levels for the last five years". The study recommends that, the managers should always give direction and supervision through different phases of strategy implementation. Implementing a change is often done in phases. The listed banks at NSE leadership need to be able to identify when each phase of a strategic implementation is complete and be ready to transition the organization to the next phase.

Keywords: communication systems, strategy, leadership style, organizational structure and organizational culture

1. Background of the Study

Strategy implementation is the process of apportioning resources with the objective of supporting the chosen strategies. This process ordinarily involves various management activities that are essential in putting strategy in motion, establish strategic controls that evaluates progress, and the end achieve organizational goals (Pearce & Robinson 2009). Muguni, (2011) contends that, the implementation procedure is devastating to the entire managerial activities including activities such as compensation, motivation, management appraisal, and control processes which require flowing strategy to all functional areas in such a manner as to achieve both horizontal logic vertical and enhance implementation of policies.

According to Andresen and Gary (2010) organizations seem to experience challenges' in implementing their strategies. Many researchers for instance; (Marginson, 2012; Lares-Mankki, 2014; Koske, 2013) have pointed out number of problems in strategy implementation: for example weak and poor management roles in implementation, lack or insufficient of communication, unawareness or misunderstanding of the strategy, inadequate commitment to the strategy, unaligned organizational resources and systems, poor work coordination and sharing of responsibilities, competing activities, inadequate capabilities and uncontrollable environmental

factors. The commercial banking sector in Kenya has faced various challenges following changes in their operating environment (Kamanda, 2009).

Anyango (2008) highlighted that, the banking environment in Kenya has witnessed numerous regulatory and financial reforms. The reforms have occasioned a number of structural changes in the sector and have also prompted the foreign banks to go into and expand their operations within the country. In an endeavor to reinforce the Kenyan banking sector with 43 banks is considered to be over-saturated. In the year 2012, state amended the Second Schedule of the Banking Act to boost the minimum core capital requirement from KSh250 million to KSh1 billion. This brought about a lot of strategizing among commercial banks on ways of complying with the law and at the same time maintaining their operations.

Organizations operate in a very competitive environment especially the banking sector. To build and sustain competitive advantage, business enterprises' practice strategic management. According to Dwallow (2012), creating a good strategy is nothing compared to its successful implementation and that top management is responsible for the design of information systems for the business enterprise. In this responsibility, managers control the environmental variables most probably to get attention in the firm. He further added that, they have to also make sure that information concerning the said key variables is available to responsible managers. Top-level managers must also avail timely and accurate feedback concerning the organizations' performance as well as the performance of individual business units within the organization. Finally, the organization members require information to maintain a pragmatic view of their performance, the organization's relationship to the environment and the performance of the organization.

1.1 Statement of the Problem

Implementing strategies successfully is very important for any organization that is either private or public. In the absence of implementation, even the most superior strategy is useless (Gekonge, 2009). According to Lares-Mankki (2014), the idea of strategy implementation may at the face of it, seem quite straightforward, that is, the strategy is formulated and then it is implemented. Implementing would therefore be alleged as being about changing organizational structure and allocating resources. Nevertheless, Johnson and Scholes (2013), notes that, transforming strategies into action is a far more difficult and a complex task. Additionally, there are only a limited number of conceptual models of strategy implementation making strategy implementation a difficult task for any organization.

According to Kamanda (2009), the banking set-up in Kenya has undergone many regulatory and financial reforms. These reforms have brought about many structural changes in the sector and have also encouraged foreign banks to enter and expand their operations in the country. The Central Bank of Kenya issued new prudential guidelines earlier 2012 which came into effect 1 January 2013 for instance. Some of these changes had an immediate and significant impact on banks, particularly the ones covering capital adequacy requirements, corporate governance and consumer protection. Strategically all these regulations obligated banks go back to the drawing board to strategize on how well to meet these requirements. Moreover, the level of competition has increased drastically as more Microfinance Institutions, Deposit taking microfinance institutions and SACCOs struggle to attract customers. This has reduced the profitability of some product lines in commercial banks. In addition, mobile money transfer has taken up much of the businesses initially under the domain of commercial banks as they launch their money transfer, storage and loan facilities. These changes have meant that for commercial banks to remain profitable, they have to continuously develop and implement strategies to ensure their longevity in the business.

Hitt et al. (2009) notes that, a good strategy may put a company on the competitive edge and raise its performance. Regrettably, many companies struggle with implementation and consequently fail in performance improvement. Kiptugen (2013) took a study to determine the strategic responses of Kenya Commercial Bank to a changing competitive environment. He gave attention mainly on strategies that can be adopted in a competitive environment; the study did not cover the factors to consider in strategy implementation and challenges in the implementation stage. Kamanda (2009) also conducted a study on Kenya Commercial Bank (KCB) with the aim of determining the factors that influence its regional growth strategy. His study, nevertheless, does not envelop the issues of strategy implementation. Situma (2009) also covered KCB but focused on its turnaround strategy. Muguni (2011) researched on the role of executive development in strategy implementation. The study however did not capture the considerations of strategy implementation and challenges.

In the year 2009, profits before tax of the top six commercial banks increased by 19.2 percent compared to 20.56% in 2008. PBT increased by 43.22% in the year 2010, which was the best performed in the sample period. The period between 2011 and 2013 has mixed performance (Central Bank of Kenya, 2014). Given the importance of

considerations for strategy implementation, this study seeks to fill the gap by seeking answers to the following research objectives;

1.2 Objectives

1.2.1 General Objective

The main objective of the study was to analyze the key drivers of strategy implementation in commercial banks in Nairobi County in Kenya.

1.2.2 Specific Objectives

● To determine whether communication systems affect implementation of strategy in commercial banks in Nairobi County in Kenya.

● To establish whether leadership styles affect implementation of strategy in commercial banks Nairobi County in Kenya.

● To establish whether organizational structure affect implementation of strategy in commercial banks Nairobi County in Kenya.

● To establish whether existing organizational culture affects the implementation of strategy in commercial banks Nairobi County in Kenya.

1.3 Research Questions

● How does communication system influence implementation of strategy in commercial banks in Nairobi County in Kenya?

● Does the leadership Style affect implementation of strategy in commercial banks in Nairobi County in Kenya?

● How does organizational structure affect implementation of strategy in commercial banks in Nairobi County in Kenya?

● Does organizational culture affect the implementation of strategy in commercial banks in Nairobi County in Kenya?

1.4 Justification of the Study

The study results significance is not only to the Listed Kenya Commercial Banks and its managers but also to other managers in the supplementary banks, non-financial organizations and financial institutions. It may assist them in understanding the factors affecting strategy implementation and how to mitigate these obstacles. The study is intended at helping various firms in attaining success and increases their competitive advantage.

The study also acts as a basis of reference material for future academic researchers on other related topics; it will also help other academic researchers who might undertake the same topic in their future studies. Other than this, it has also highlighted other important relationships that require further research; this could be in the areas of associations between successful strategy implementation and firm's competitive advantage.

1.5 Scope of the Study

The study focused on the factors affecting strategy implementation in commercial Banks in Kenya. The researcher targeted listed Commercial Banks in Nairobi-County, to reduce population size. The study targeted top management, middle level management and lower level management including the strategy and innovation department mostly based at Head offices and main Head office branches.

1.6 Limitations and Delimitation of the Study

Limitation of this study was that the scope was confined to the listed commercial banks in Nairobi, Kenya. Organizations in this industry are majorly service providers who might have small difference in strategy implementation as weighed against businesses involving non-financial services or goods. The researcher nevertheless notes that firms implement strategy the same irrespective of their business

2. Theoretical Foundations of the Study

Existing literature identifies a number of theories in strategy implementation. A better understanding of strategy implementation is essential for the success of commercial banks. The study reviews, The Cognitive theory, Kurt Lewis Theory of Change and Expectancy theory.

2.1 Cognitive Theory

Cognitive theory is mostly used as a bridge between strategy implementation and the employees, especially the focus of middle management. This cognitive focus would be seen as an emphasis to explore how these individuals make sense of implementation of a strategic change and how their perception is affected and how these perceptions influence later actions (Nguyen, 2009). Psychological variables used due to this enhanced focus relates to motivation and liking. To be able to prefer a new product, new strategic change or in general a disruptive event of status quo would mean a reprogramming of their "old" perceptions. Further, to follow through to commit to the disruptive event, a level of motivation has to be in place for the implementation process to be successful (Sproull & Hofmeister, 2009).

2.2 Expectancy Theory

Expectancy theory is mostly used in strategy implementation to explain a more complex relationship of individual commitment or motivation to peruse a strategic implementation where a correlation of the middle manager goals and the organization goals is one important affecting variable (Guth & Macmillan, 2009). Expectancy theory of motivation recommends that an individual will choose to act or behave in a specific way since they are motivated to choose a specific behavior over other behaviors because of what they expect the consequence of that chosen behavior will be. Guth and Macmillan (2009) introduced a model that express the function of motivation, where the level of motivation are seen as the sum of three factors: An individual's perception that their actions would lead to success, that their actions would lead to an outcome and the attractiveness on the perceived outcome dependent on self-interest.

2.3 Kurt Lewis Theory of Change

Lewin suggested three models of the change process, that is; the 3-Step model, the Action research model, and the Phases of Planned Change model. Barney (2011) notes that the refreezing stage attempts to stabilize the organization at a new state of equilibrium to make sure that new ways do not revert back to old ones. He adds that, this stability is earned through the use of supporting systems and mechanisms that positively reinforce norms, organizational culture, policies and practices. Amongst the first ones published and also the most prominent and referred model of planned change is Kurt Lewin's three-stage process: unfreezing the old, moving to new, and refreezing the new behavior or situation Schein (2009).

2.4 Empirical Review

2.4.1 The Key Drivers to Strategy Implementation

Strategy implementation is never an easy thing in many organizations (Kamanda, 2009). According to Otiso (2013), the process of coordinating different stakeholders and harmonizing their actions towards the common goal faces several challenges. Some of the challenges reviewed here include: leadership styles, communication system, organization culture and organizational structure.

2.4.2 Leadership Styles

Leadership is basically the process of persuasion, where an entity/leader induces a group/team to pursue certain objectives. Effective or rather successful leadership involves reorganizing the organizational architecture in a way that inspires employees with the appropriate knowledge to set off value-enhancing proposals (Kouzes & Posner, 2010). Anyango (2013) in her work highlights an environmental scanning analysis that shows leadership as that, which should manage/lead the basics like inflation, people among others. Anyango (2013) argues that, strategic leadership should make sure that culture and values within an organization are suitable for satisfying key success factors. She adds that, this should guide environmental-value-resources (E-V-R) congruence. However, she also noted that, leadership is not always completely involved in the strategy implementation process because of the many other activities involved which have been delegated. Therefore, limited leadership involvement could slow down the success of strategic management in an organization.

Kouzes and Posner (2010) highlights that, to implement strategy effectively, the senior executives/top management must not take for granted the lower level managers since they have similar perceptions of the strategic plan and its implementation, its fundamental rationale, and its urgency. As an alternative, Kouzes and Posner, (2010) argues that, senior executives/top management must assume lower level managers don't, so senior executives/top management must convince employees of the validity of their ideas. Marginson (2012), argues that, honest commitment by leaders include an devotion to the full and methodical process of strategic planning which must end in implementing programs and services and commit allocations to achieve the objectives of the strategic plan at a point that is achievable for the organization and more so the level of activity.

2.4.3 Organization Culture

Organizational culture alludes to the leadership style of managers, how they spend their time, what demands they ask of employees, what they focus consideration on, how they make decisions (Ansoff, 2009). Apart from that, organizational culture that is the dominant norms, values and beliefs, both the conscious and unconscious symbolic acts in use by leaders for instance; dress codes, job titles, informal meetings with employees etc. (Ansoff, 2009). According to Ateng (2009), Organizational culture is placed amongst the fundamental issues, since the cultural dimension itself is critical to all aspects of organizational behavior. He argues further that, if strategy implementation is going to realize its full success of radically improving the way enterprises' do business, alternating of the organizational culture have to be well thought-out as an fundamental part of the process. Since systems cannot be developed not withstanding of the people that will be supervising and operating the systems. One of the most important reasons why a number of process strategy implementation projects do not accomplish the echelon of success the organization anticipates, is for the reason that the functional manager probably did not address the issue of organization culture change.

Amongst the major hurdles in strategy implementation is probably the cultural and behavioral in nature; this includes the impact of bad combination of activities and weakened feelings of commitment and ownership (Ansoff, 2009). Marginson (2012) contends that strategy implementation changes either from a process of a successful team commitment in the course of a coalitional form of decision-making, or as a product of complete coalitional participation of implementation team via a strong corporate culture. During the adoption of the organizations cultural model that accentuates a lower-level employee participation in both strategy implementation and formulation there is separation of "thinkers" and "doers". It generally attempts to implement strategy by means of infusion of corporate culture all through the firm. The cultural model negates and challenges the fundamental aims from the economic standpoint of a firm.

2.4.4 Communication Systems

At a glance, the implication that communication elements ought to be stressed in the implementation process appears to be a simple task. Even if past studies suggest that communication is an important success factor within strategy implementation (Lucey 2013), argues that, communicating with employees relating to issues related to the strategy implementation is often delayed pending the changes have already crystallized. In this regard, majority of organizations are tasked with the hurdles of lack of institution of a two-way-communication plan that allows and solicits questions from employees about issues relating to the formulated strategy. Besides the inability to seek questions and feedback, lack of communications occasion more harm since the employees are not aware of the new tasks and activities to be performed by the affected employees, new requirements, and, in addition, cover the reason behind changed circumstances (Alexander, 2009).

Lares-Mankki (2014) analyzed the effects of top management's practices on job satisfaction, employee commitment, and role uncertainty through conducting a survey of 862 insurance company workers. In this study, five management practices were analyzed that is; encouraging creativeness, creating and sharing an organizational goal, providing support for employees, acting as a role model, and allowing employee participation in making job-related decisions. The study results highlighted that there exist a strong relationship between top management's actions and employees' attitudes and perceptions.

2.4.5 Organizational Structure

Ordinarily, organizations are structured in terms of four fundamental rudiments of organizational structure (Muguni, 2011). They are namely; Centralization, span of control, departmentalization and formalization. The most essential elements to describe the silhouette of an organization are its depth and breadth (Muguni, 2011). In this context, depth describes the management levels that lay between the top management and operational employees or the number of hierarchical layers. On the other hand, breadth could be explained by the span of control, that is to say, the number of a supervisor's subordinates or direct reports for that matter. The control span can be measured at each hierarchical layer; however, it can also be standardized across the levels of an organization. Evidently, there exists an inverse relationship between breadth and depth, given to an organization's size.

Johnson (2012) analyzed the affiliation between organizational culture and organizational reward structure, in his results he established that organizational culture and organizational reward structure are positively correlated. Harrington (2009), work also examined the strategic implementation process at a large computer company known as Hewlett-Packard and suggested that support structures in the structure of formal organizational structures are essential for employees to act on the knowledge developed to develop and implement strategy. The organizational structure give a visual explanation of two major main things: that is the resource allocation and

decision-making process. In another strategy arrangement study, Muguni, (2011) proposed that organizational structure overtime has been prejudiced by the organization's strategies that is the structure follows strategy. In agreement with Muguni, (2011) study, Hitt et al. (2007) also exposed that strategy is formulated by top management solely and middle-level managers only implement the strategy with exception where a wide range of changes is necessary before implementation, in other words, structure alignment with strategy.

Okumus and Roper, (2008) offered an apprehension with business restructuring and late suggested that it has to be outweighed by the probable gains of the new strategy. They argued that too repeatedly the restructuring efforts directs to the inadvertent discarding of know-how that might have been used for future growth in another circumstance. Numerous studies have tackled the link between organizational strategy and structure by proposing that amongst the challenges in strategy implementation is weak coordination of activities. Johnson, (2012), however suggested translating poor coordination into teamwork through accountabilities with strategy, responsibilities, and realigning roles.

Barney, (2011) suggested that from an implementation viewpoint, it is more important for an organization to practice cross-functional processes in order to put in force strategy implementation rather than to alter the organizational structure. Bimani and Longfield-Smith (2009) concentrated their study on the influence of organizational structure on strategy implementation. The study results revealed that, the process of strategy implementation should be structured and formal. They also summarized that during the strategy development process much emphasis should be placed on financial information, however during the implementation stage both non-financial and financial information are emphasized.

According to Johnson (2012), in harmonizing organization structure to the strategy, the subsequent five-sequence procedure acts as a positive guide for fitting structure to strategy: that is, consider how the critical functions towards the strategy and organizational units relate to those that are routine and to those that provide staff support, identify the major functions and tasks necessary for successful strategy execution, make critical business units for strategy the main organizational building blocks, establish the degrees of authority needed to manage each organizational unit, considering both the benefits and costs of decentralized decision making and finally, provide for coordination among the various organizational units.

2.5 Summary of Literature and Research Gaps

This chapter analyzed the literature review which included the discussion of the theoretical framework and empirical review. From the available literature, organizational culture is a fundamental part of risk managing strategy implementation. The most important factor when managing strategic management implementation is the top-level management's commitment to the strategic objective. Once the strategy has been formulated, communication is one of the most important conduits for successful implementation. Communication ensures that the team members understand and support not only where the team is now but also what they want to be. Kiptugen (2013) conducted a study to establish the strategic responses of Kenya Commercial Bank to environmental dynamics. Because the study only focused on strategies that can be adopted in a competitive environment; the research work was unsuccessful in covering the processes concerned with strategy implementation and challenges in the implementation phase. Kamanda (2009) also conducted a research work about Kenya Commercial Bank (KCB) with the purpose of establishing the factors which sway its regional growth strategy. The research work, however, did not address the concerns on strategy implementation. Situma (2009) also covered KCB but gave attention to its turnaround strategy. Muguni (2011) on the other hand researched on the role of executive development in strategy implementation. His work was however a comparative study of KCB and National Bank of Kenya. This particular study also did not address the strategic change implementation process and challenges. Grounded on the study review as discussed, available past studies have therefore failed to address the strategy implementation drivers in the commercial banks. Consequently, the main objective of this study is to bridge the knowledge gap that exists by determining the relationship between strategy implementation drivers and performance of the commercial banks in Kenya.

2.6 Conceptual Framework

Conceptual framework is defined as an element of the scientific research process in which a specific concept is defined as a measurable occurrence or in measurable terms that basically gives a clear meaning of the concept (Cooper & Schindler, 2010). According to Mugenda and Mugenda (2010), a conceptual framework is a pictorial presentation of the association between dependent and independent variables. The Conceptual Framework of this study was comprised of the independent variables and the dependent variable as shown below:
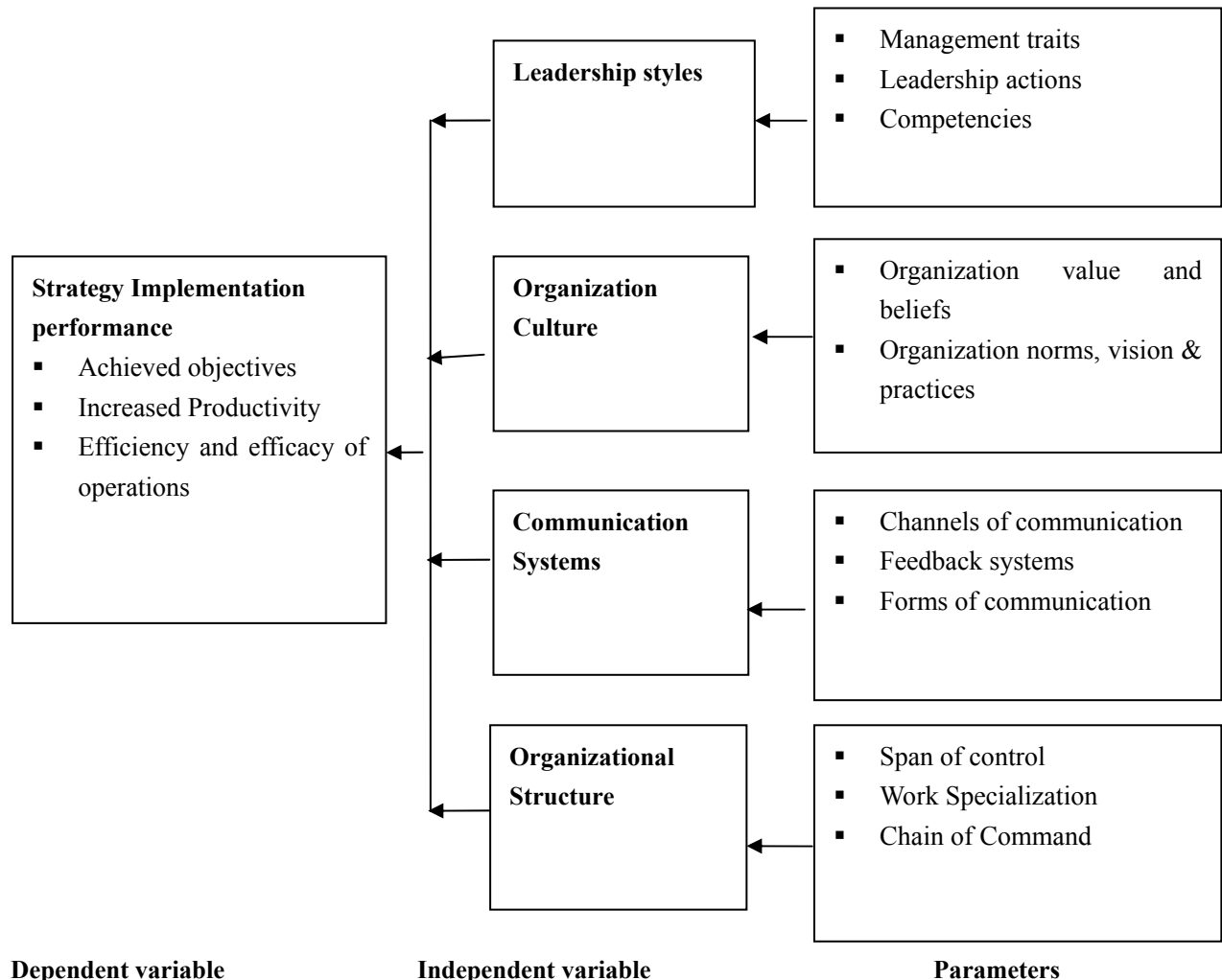
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                                    ┌─────────────────────┐   ┌──────────────────────────────┐
                                    │                     │   │ ▪ Management traits          │
                                    │ Leadership styles   │◄──│ ▪ Leadership actions         │
                                    │                     │   │ ▪ Competencies               │
                                    └─────────────────────┘   └──────────────────────────────┘
                                         ▲
┌──────────────────────────┐            │     ┌─────────────────────┐   ┌──────────────────────────────┐
│ Strategy Implementation  │            │     │                     │   │ ▪ Organization value and     │
│ performance              │            │     │ Organization        │   │   beliefs                    │
│ ▪ Achieved objectives    │◄───────────┤     │ Culture             │◄──│ ▪ Organization norms, vision &│
│ ▪ Increased Productivity │            │     │                     │   │   practices                  │
│ ▪ Efficiency and efficacy│◄───────────┤     └─────────────────────┘   └──────────────────────────────┘
│   of operations          │            │
│                          │            │     ┌─────────────────────┐   ┌──────────────────────────────┐
└──────────────────────────┘            │     │                     │   │ ▪ Channels of communication  │
                                        │     │ Communication       │◄──│ ▪ Feedback systems           │
                                        │     │ Systems             │   │ ▪ Forms of communication     │
                                        │     └─────────────────────┘   └──────────────────────────────┘
                                        │
                                        │     ┌─────────────────────┐   ┌──────────────────────────────┐
                                        │     │                     │   │ ▪ Span of control            │
                                        └─────│ Organizational      │◄──│ ▪ Work Specialization        │
                                              │ Structure           │   │ ▪ Chain of Command           │
                                              └─────────────────────┘   └──────────────────────────────┘
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Dependent variable   **Independent variable**   **Parameters**

Figure 1. Operational frameworks showing the key drivers influencing strategy implementation in Commercial Banks in Nairobi County in Kenya

3. Research Design

According to Mugenda, (2010), a research design is a master plan/framework specifying the technique and procedures for both collecting and analyzing the needed data. A descriptive cross-sectional design was employed in this study. A cross-sectional study is conducted once to pick out the parameters of a phenomenon at a specific point in time. According to Cooper and Schindler (2010), the aim is to get an accurate means of capturing a population's characteristics at a single point in time relating to what, where, how, who and when of a research topic. This particular research design offers the researcher the chance to study part of the members of the population with the objective of formulating generalization in relation to the phenomenon. The descriptive cross-sectional design and quantitative designs are considered to be robust for strategy implementation and appropriate for studies that intend to analyze a situation, phenomenon, problem attitude or issue by taking into consideration a cross-section of the population at one point in time (Mugenda & Mugenda, 2010).

3.1 Target Population

The target population is that population to which the researcher desires to generalize the results of the research work. Target population is also defined by Mugenda, (2010) as a collective set of the study of all members of either real or hypothetical set of people, objects or events to which a researcher wishes to generalize the result. The study targeted the top management of the 11 commercial banks listed in the Nairobi stock exchange.

3.2 Sample Design

A sample is a subset containing the characteristics of a larger population (Mugenda & Mugenda, 2010). This

study employed systematic probability sampling technique. A probability sample is a test in which each unit in the population has a chance that is greater than zero of being chosen in the sample, and this possibility can be precisely determined. In this study, the researcher sampled from the top management of 11 listed commercial banks at the Nairobi Securities Exchange-NSE Kenya. This is because of the high level of strategic involvement and activity by the banks. Systematic sampling entails a haphazard start and then proceeds with the choice of every Kth element from then onwards (Cooper & Schindler, 2010). According to Mugenda and Mugenda, (2010) the justification of systematic random sampling is that it offers the assurance that the population will be evenly sampled. In this study every 2nd respondent was selected from the top management team of the said commercial banks as shown bellow.

Table 1. Sample design

Bank	Top Management	Sample size	Percentage
Equity Group Holdings	12	6	50
Barclays Bank of Kenya Ltd	25	12	50
The Co-operative Bank of Kenya	22	11	50
Standard Chartered Bank Kenya Ltd	17	8	50
I&M Holdings Ltd	21	10	50
Kenya Commercial Bank Ltd	11	5	50
Diamond Trust Bank Kenya Ltd	23	11	50
CFC Stanbic bank	9	4	50
NIC Bank Ltd	19	9	50
Housing Finance Co. Kenya Ltd	15	7	50
National Bank of Kenya	17	8	50
Total	**191**	**91**	**50**

3.3 Data Collection Instruments

The researcher collected primary data with the help of a questionnaire. According to Cooper and Schindler (2010), a questionnaire is easy to administer. Questionnaires also reduce bias since the researchers' own opinions would not influence the respondents to answer questions in a certain manner unlike a face to face interview. The questionnaires were divided into six sections: the general information consisted of semi structured questions, to generally have knowledge of the background information of the respondents. The other five sections had structured questions that included; Leadership style, organization culture, communication system, organizational structure and strategy implementation performance.

3.4 Methods of Data Collection

In this study, primary data on the dependent and independent variables was collected using a structured questionnaire, since it is easier to administer, analyze and economical in terms of time and money. The questionnaires were issued to the respondents through informal self-introduction through the help of a research assistant. The questionnaires were presented to the respondents under a forwarding letter accompanied by an introduction letter from the University. The respondents were consequently requested to fill in the questionnaire for about 5 to 10 minutes of their time then the questionnaires were collected by a research assistant

3.5 Reliability and Validity

Validity is the extent to which research results can be accurately interpreted and generalized to other populations. It is the extent to which research instruments measure what they are intended to measure (Mugenda & Mugenda, 2010); on the other hand reliability is a measure of how consistent the results from a test are. A pilot test was conducted in order to test for reliability and validity of the data collection instrument that is the Questionnaire. Validity was enhanced by engaging the supervisor and experts as supported by Cooper and Schindler (2010), to check the questionnaire substance on their suitability on the content and to establish all the probable areas that need adjustments if any so as to achieve the purpose or rather the objective of the study.

Pre-testing is considered significant in this study for the reason that both comments and suggestions by respondents during pre-testing help to advance the quality of the questionnaire (Mugenda & Mugenda, 2010). Pre-testing is usually meant to disclose deficiencies in the instruments. For instance; insufficient writing space, unclear instructions, vague questions and finally wrong numbering may be exposed and corrected, consequently improving the instrument. Cronbach's alpha which is the most universal measure of internal consistency

(reliability) was used. According to Mugenda and Mugenda, (2010), It is most commonly used when the study have multiple Likert questions in a survey/questionnaire that form a scale like used in the study.

3.6 Data Analysis and Presentations

The data generated by the study after fieldwork was edited, coded then entered into a computer for processing using the Statistical Package for Social Sciences (SPSS v. 21.0). According to Mugenda and Mugenda (2010), editing of responses is intended to identify and eliminate errors made by the interviewer or respondents. Consequently, data was edited for completeness and consistency before analysis. Descriptive and inferential statistics was used to analyze information generated from respondents.

Descriptive statistics refers to, simple statistical methods, which do not support or falsify a relationship but help in the description of the data. Thus, descriptive statistics enabled the researcher to organize data in an effective and meaningful way. By use of percentages, frequency distributions, tables, charts, the researcher categorized the variables. Inferential statistics was used to establish whether a relationship exists in the larger population from which the sample was drawn from. This helps in making relevant generalizations whereby a Pearson correlation co-efficient was calculated to determine and test the correlation between the dependent variable and each independent variable, using the following function y fn (X1, X2, X3, X4, ε). From this function, the following multiple regression model was developed to show the relationship between strategy implementation performance and strategy implementation drivers.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Whereby: **Y** = Strategy Implementation Performance (SIP);

X$_1$ = Leadership Styles (LS);

X$_2$= Organization Culture (OC);

X$_3$= Communication System (CS);

X$_4$= Organizational Structure (OS); and

B$_0$, β$_1$, β$_2$, β$_3$, β$_4$ =Regression model coefficients.

ε = Error Term.

4. Data Analysis, Presentation And Interpretation of Findings

4.1 Response Rate

The targeted sample size was 91 participants. Those filled and returned questionnaires were 88 respondents making a response rate of 96.7%. According to Mugenda and Mugenda (2010), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. This means that the response rate for this study was excellent and therefore adequate for data analysis and interpretation.

Table 2. Response rate

Questionnaires	Frequency	Percent (%)
Response	88	96.7%
Non-response	3	3.3%
Total	**91**	**100.0%**

Source: Author, (2016).

4.2 Pilot Test Findings

A pilot test was conducted in order to test for reliability and validity of the data collection instrument that is the questionnaire. To establish validity, the researcher engaged the supervisors and experts as supported by Cooper and Schindler (2010) to check the questionnaire items on their aptness of content and to determine all the possible areas that need modification so as achieve the objectives of the study.

For reliability analysis, Cronbach's alpha was established by application of SPSS. The measure of the alpha coefficient range from 0 to 1 and might be used to describe the reliability of factors extracted from dichotomous that is, the questions with two possible answers and/or multi-point formulated questionnaires or scales that is, rating scale: 1 = poor, 5 = excellent. A higher value shows a more reliable generated scale. Cooper & Schindler

(2010) indicated 0.7 to be an acceptable reliability coefficient. The study involved questionnaires from 10 respondents. Since, the alpha coefficients were all greater than 0.7, a conclusion was drawn that the instruments had an acceptable reliability coefficient and were appropriate for the study as shown bellow:

Table 3. Reliability

Case Processing Summary (Scale: ALL VARIABLES)			
		N	%
Cases	Valid	88	100.0
	Excluded[a]	0	0.0
	Total	**88**	**100.0**

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
0.949	53

4.3 Demographic Information

The study sought to establish the demographic information in order to analyze strategy implementation drivers in the commercial banks in Nairobi County, Kenya. The demographic information of the respondents included gender, age bracket, Length of service and the designation of the respondents.

4.3.1 Gender of Respondents

The table displays demographic information according to gender.

Table 4. Gender of the respondents

		Frequency	Percent
Valid	Female	36	40.9
	Male	52	59.1
	Total	**88**	**100.0**

The study sought to determine the respondents' gender in order to ascertain whether there was gender parity in the positions indicated by the respondents. The findings of the study are as shown in Table 5. According to the analysis it was evident that majority of the respondents were male which represented 59.1% while 40.9% were female. It can therefore be deduced that males were the most dominant gender in listed commercial banks in Kenya.

4.3.2 Age Bracket of the Respondents

The researcher sought to determine if the respondents were mature to provide valuable responses that pertain to strategy implementation in the listed commercial banks in Nairobi County.

Table 5. Age bracket of the respondents

		Frequency	Percent
Valid	26-30	4	4.5
	31-35	28	31.8
	36-40	16	18.2
	41-45	20	22.7
	46-50	14	15.9
	51- <	6	6.8
	Total	**88**	**100.0**

The respondents were required to indicate their age where the study findings were as follows; 6.8% were between 51 years and above, 15.9% of the respondents were between 46 and 50 years of age, 22.7% were 41-50 years, 18.2% were between 36-40, 31.9% were between 31-35 and 4.5% were between 26-30 years of age. The

researcher noticed that, majority of the serving management at the listed commercial banks were between 31-35 years of age.

4.3.3 Length of Service

In this category, the respondents were asked to indicate the length of service in order to ascertain the level of experience they had in management.

Table 6. Length of service

		Frequency	Percent
Valid	>-5	30	34.1
	5-10	34	38.6
	10-<	24	27.3
	Total	**88**	**100.0**

The study findings revealed that majority of the respondents, 38.6% had served in the bank for between 5-10 years which is adequate time enough for strategic evaluation and management. 34.1% had served for less than 5 years while 27.3 & had served for more than 10 years. Meaning a total of 58 managers had served in the same bank for not less than 5 years being 65.9% of analyzed questionnaires.

4.3.4 Job Designation

The study sought to identify the current positions of the respondents to establish their capacity and responsibility in strategy implementation.

Table 7. Current position

		Frequency	Percent
Valid	BManager	4	4.5
	BAManager	3	3.4
	Manager	41	46.6
	MGR	3	3.4
	OManager	13	14.8
	RManager	11	12.5
	SManager	13	14.8
	Total	**88**	**100.0**

The study found out that indeed all the respondents were in management. Majority 46.6% noted that they were managers, 14.8% were sales managers (SM), another 14.8% were operations managers (OM), 12.5% were relationship managers (RM), 4.5 were branch managers (BM) while 3.4& were both regional managers (MGM) and marketing managers (MAM).

4.4 Descriptive Statistics

This section presents a discussion of the results of descriptive statistics for each variable.

4.4.1 Communication Systems

The study sought to determine the relationship between communication system in the banks and strategy implementation. The respondents rated different parameters of communication systems and their influence on strategy implementation using a scale of 1-5, where 1= Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree and 5= Strongly Disagree. The findings were presented in table 4.7

Table 8. Communication systems descriptive

Communication Systems	N	Mean	Std. Deviation
Do you think communication systems as implemented influence strategy implementation	88	1.8523	1.25524
Subordinates' are responsive to downward directive communication	88	2.2500	.55190
Communication practices are adaptable to emergencies	88	2.2159	.92784
Grapevine is active in our organization	88	2.5114	.93458
Extent to which written directives/reports are clear and concise	88	2.3636	.83297
Some failure in internal communication has led to failure in change implementation	88	1.7955	.69744
Mutual relationship enhances communication	88	2.3182	.87816
Strategic change implementation is communicated effectively	88	2.3523	1.00619
Willingness to accept and implement change is partly down to elaborate communication system instituted	88	1.9091	.76769
Banks effectiveness in evaluating the impact of changes/feedback is down to well structured communication system	88	2.3409	1.08157
Valid N (listwise)	88		

The study findings from Table 8 revealed that, when communication systems are adequate during strategy implementation process performance also improves. From the descriptive statistics, it is clear that majority of the respondents strongly agreed that, communication systems as implemented influence strategy implementation and that, some failure in internal communication has led to failure in change implementation. This situation is supported by Hitt et al. (2009). In his study aimed to exhibit the vital role of communications managers in strategy implementation, concluded that, within the scope of work of communications managers, Strategies can be implemented more effectively if they are written in clear achievable style, expressly communicated and when the organization has a healthy strong culture.

4.4.2 Leadership Styles

The study sought to determine the relationship between leadership styles as practiced in the banks and strategy implementation success. The respondents rated different parameters of leadership styles and their influence on strategy implementation using a scale of 1-5, where 1= Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree and 5= Strongly Disagree. The findings were presented in table 4.8

Table 9. Leadership styles

Leadership styles	N	Mean	Std. Deviation
Leaders make employees feel good to be around them	88	2.2841	.99364
Leaders tell employees what they need to do if they want to be rewarded for their work	88	2.3409	1.03819
Staff have complete faith in the leaders	88	2.8977	.95940
Leaders use totols, images, stories and models to help other people understand what they need to do	88	2.5114	.69471
Leaders tell others in a few simple words what need to be done	88	2.6591	.93325
Leaders help others to think about old problems in new ways	88	2.5455	1.04946
Leaders help other employees to develop themselves	88	2.5000	.98261
Leaders provide staff with new ways of looking at complex or difficult issues	88	2.3977	.90388
Leaders provide feedback to staff	88	2.1364	.80490
Leaders reward employees when they achieve	88	2.1477	.91651
Valid N (listwise)	88		

The study findings from Table 9 revealed that, the respondents overwhelmingly approved a more interactive and consultative approach to leadership. Majority acknowledged that, leaders reward employees when they achieve and that, leaders provide feedback to staff.

The research deduces that when leadership is improved or tends towards a more interactive and consultative dimension during strategy implementation process, then strategic implementation performance also improves

significantly. This position is supported by Noble, (2009) that, a lack of leadership, and particularly strategic leadership, at the top of the organization has been identified as one of the major barriers to effective strategy implementation. As a result, strategic leadership is viewed as a key driver to effective strategy implementation.

4.4.3 Organization Structure

The study sought to determine the relationship between organization structures as practiced in the banks and strategy implementation success. The respondents rated organization structure and their influence on strategy implementation using a scale of 1-5, where 1= Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree and 5= Strongly Disagree. The findings were presented in Table 10.

Table 10. Organization structure

Organization structure			
	N	Mean	Std. Deviation
The bank have a functional and process-oriented structure	88	1.9773	.67768
Organization structure influences strategy implementation	88	1.6477	.71180
Institutional effectiveness aid in strategy implementation	88	2.2045	.81873
Organization structure inhibits the free flow of information critical to strategy implementation	88	2.7614	.95886
The banks structure enhances organizational flexibility critical to strategy implementation	88	2.1932	.67565
Employees have sufficient knowledge, its aims and their own tasks to know why things are as they are	88	2.3182	.90396
The bank have a large number of specialist functions which increases efficiency	88	2.7614	1.10375
The bank has the financial capacity to implement strategies	88	2.4773	1.12421
The HR capability to manage and implement new strategic direction by the membership is sufficient	88	2.3977	.68715
The current structure of the bank is appropriate to support the implementation of strategic initiatives	88	2.3864	.83641
Valid N (listwise)	88		

The study findings from Table 10 revealed that, when organization structure is aligned well during strategy implementation process, performance also improves. This position is supported by the devastating approval by the respondents that organization structure influences strategy implementation. The respondents also approved that the bank have a functional and process-oriented structure. This findings compliments those of Hitt *et al,* (2007) that strategy is formulated by top management solely and middle-level managers only implement the strategy with exception where a wide range of changes is necessary before implementation, in other words, structure alignment with strategy.

4.4.4 Organization Culture

The study sought to determine the relationship between organization cultures as practiced in the banks and strategy implementation success. The respondents rated organization culture and their influence on strategy implementation using a scale of 1-5, where 1= Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree and 5= Strongly Disagree. The findings were presented in table 4.10

Table 11. Organization culture

Descriptive Statistics			
	N	Mean	Std. Deviation
Organization culture influences strategy implementation	88	1.5114	.50274
People are flexible and adaptable when changes are necessary	88	2.7159	1.13410
Individuals and teams have clearly defined goals that relate to the goals and mission of the business	88	2.2386	.94680
Employee attitudes and strategic goals are in strong harmony and this enhances strategy implementation	88	2.5682	.95647
The bank adheres to its mission and values all the time and this aids in effective strategy	88	2.4886	1.31301

	N		
implementation			
Employees sometimes compromise company policies/principles to reach operational goals	88	2.8636	1.15651
The bank has clear vision, mission and values among employees throughout the organization	88	2.1250	1.01497
In the banks working environment, there is tolerance to new ideas and this enhances strategy implementation	88	2.4432	1.01549
Motivation to maintain and support the implementation of strategic initiatives is high	88	2.5455	1.00469
The understanding of the banks value statements or value/culture aid in strategy implementation	88	2.1364	.77581
Valid N (listwise)	88		

The study findings from Table 11 revealed that, when positive organization culture is adopted well during strategy implementation process, performance also improves. This was justified by the overwhelming approval by the respondents that, organization culture influences strategy implementation. They also overwhelmingly consented that, employee attitudes and strategic goals are in strong harmony and this enhances strategy implementation. This demonstrates aligned mission and objectives to those of the employees. This position is supported by Ateng (2009), who argued that, if strategy implementation is going to realize its full success of radically improving the way enterprises' do business, alternating of the organizational culture have to be well thought-out as an fundamental part of the process.

4.5.5 Strategy Implementation Performance

The study sought to evaluate strategy implementation performance based on key drivers namely: organization culture, organization structure, leadership styles and communication systems. The respondents rated strategy implementation performance parameters using a scale of 1-5, where 1= Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree and 5= Strongly Disagree. The findings were presented in Table 12 below

Table 12. Strategy implementation performance

Strategy Implementation Performance			
	N	Mean	Std. Deviation
Good strategies implemented has increased our profitability levels for the last five years	88	2.7500	1.09597
Good strategies implemented has increased volume of sales last five years	88	2.8750	.99207
Number of employees have increased in the last five years	88	2.7841	.96429
The bank management is satisfied with returns on equity	88	3.4091	1.19035
The bank management is satisfied with returns on asset	88	3.2273	1.13185
Products uptake by customers has significantly increased	88	2.5795	.95558
Customer base has increased over the last 5 years	88	2.7614	1.08272
The bank has expanded its operations over the last 5 years	88	2.8750	1.26684
Efficiency in internal work process has improved	88	2.4318	.95647
Share value at NSE has improved over the last 5 years	88	3.3409	1.35516
Valid N (listwise)	88		

The study findings from Table 12 showed that, good strategies implemented has increased our profitability levels for the last five years with a mean of 2.7500 and a standard deviation of 1.09597. Good strategies implemented have increased volume of sales last five years with a mean of 2.8750 and a standard deviation of 0.99207. Numbers of employees have increased in the last five years with a mean of 2.7841 and a standard deviation of 0.96429. The bank management is satisfied with returns on equity with a mean of 3.4091 and a standard deviation of 1.19035. The bank management is satisfied with returns on asset with a mean of 3.2273 and a standard deviation of 1.13185. Products uptake by customers has significantly increased with a mean of 2.5795 and a standard deviation of 0.95558. Customer base has increased over the last 5 years with a mean of 2.7614 and a standard deviation of 1.08272. The bank has expanded its operations over the last 5 years and efficiency in internal work process has improved with means of 2.8750 and 1.26684 and standard deviation of 2.4318 and 0.95647. Lastly Share value at NSE has improved over the last 5 years with a mean of 3.3409 and a standard deviation of 1.35516.

4.6 Model Summary for All Variables

The model summary shows the regression analysis as shown in the Table 13.

Table 13. Model summary for key variables analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.720[a]	.519	.496	.65482	.519	22.368	4	83	.000	

a. predictors: (constant), leadership, structure, communication, culture.

In order to explain the percentage of variation in the dependent variable,(strategy implementation performance) as explained by the key independent variables (Leadership, Organization Structure, Communication, Organization Culture), the researcher used coefficient of determination that was obtained from the model summary in the table 4.15. Coefficient of determination was used to explain whether the model is a good predictor. From the results of the analysis, the findings show that the independent variables contributed to 49.6 % of the variation in strategy implementation performance as explained by adjusted R^2 of 0.496

4.7 Model Validity for All Variables

The findings on the validity of the model used to test the relationship between strategy implementation drivers is shown in Table 14.

Table 14. Model analysis of variance for all variables (ANOVA[a])

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.364	4	9.591	22.368	.000[b]
	Residual	35.589	83	.429		
	Total	73.953	87			

a. Dependent Variable: performance;

b. predictors: (constant), leadership, organization structure, communication, organization culture.

Research findings from Table 14 shows that the model was valid, $F(4, 83) = 2.482$, $p < 0.001$[b]. This implies that the model is good for further analysis and the predictor variables (strategy implementation drivers) used in this study are good in explaining variations in strategy implementation performance in commercial banks in Nairobi County, Kenya.

The Pearson correlation coefficient is a measure of the strength of a linear relationship between two variables and is normally denoted by *r*. The Pearson correlation coefficient, *r*, can take a range of measurements of values from +1 to -1. A measure of 0 point out that there is no relationship between the two variables. The results of the findings above revealed that the level of significance was 0.000(b) this implies that the regression model is significant in predicting the relationship between the independent and dependent variables.

4.8 Multiple Regression Weights of All Variables

This table shows the level of significance on the variables, it also provides the standardized and unstandardized coefficients as shown below.

Table 15. Coefficients[a] test for coefficients for key variables

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.330	.391		3.399	.001
	Communication Systems	.432	.282	.216	1.531	.130
	Organization Culture	1.471	.215	1.034	6.854	.000
	Organization Structure	-1.298	.334	-.639	-3.885	.000
	Leadership Style	.047	.191	.031	.246	.806

a. dependent variable: performance.

The multiple linear regression models indicate that all the independent variables have positive coefficient with exception of organization structure. The regression results above reveal that there is a positive relationship between dependent variable (performance) and independent variables (Leadership, Communication, Organization Culture) while having a negative relationship with organization structure.

From the above Table 15, the researcher sought to establish the extent to which strategy implementation drivers affect performance. The study findings from Table 15 show that, organization structure, organization culture and leadership styles will always be significant with regards to strategy implementation performance since the multiple regression analysis ($\beta_0 = 1.330$ and p = 0.01, $\beta_2 = 1.471$ and p = 0.000, $\beta_3 = -1.298$ and p = .000 and finally $\beta_4 = 0.047$ and p = 0.806). The study also shows that organization structure, organization culture and leadership styles are positively and significantly related to banks strategy implementation performance ($\beta_0 = 1.330$, $\beta_2 = 1.471$, $\beta_3 = -1.298$ and finally $\beta_4 = 0.047$).

Based on the research findings above, the researcher construe that jointly when organization structure is aligned well, right organization culture adopted well and leadership styles well practiced during strategy implementation process, performance also improves

The study also noted that organization structure as instituted results in decrease in strategic implementation performance. This was translated to poor organization structures for strategy implementation. The study revealed a negative relationship between organization structure and strategy implementation performance.

The t statistics helps in determining the relative importance of each variable in the model. As a guide regarding useful predictors, the research determines the t values well below -0.5 or above +0.5. In this case, the Constant, Communication Systems, Organization Culture, Organization Structure were significant with values 0.001, 0.130, 0.000 and 0.000 were well within the significant.

4.9 Correlation Analysis between the Variables

Correlation analysis shows the relationship between the independent variables and the dependent variable. Correlation is a term that refers to the relationship between two variables. A strong or high correlation means that two or more variables have a strong relationship with each other while a weak or low, correlation means that the variables are hardly related. The value of -1.00 represents a perfect negative correlation while a value of +1.00 represents a perfect positive correlation. A value of 0.00 means that there is no relationship between variables being tested. Pearson's correlation reflects the degree of linear relationships between two variables. It ranges from +1 to -1. A correlation of +1 means there is a perfect positive linear relationship between variables (Mugenda & Mugenda, 2010).

Table 16. Correlations

		Communication	Culture	Structure	Leadership	Performance
Communication	Pearson Correlation	1	.658[**]	.748[**]	.774[**]	.443[**]
	Sig. (2-tailed)		.000	.000	.000	.000
	N	88	88	88	88	88
Culture	Pearson Correlation	.658[**]	1	.849[**]	.660[**]	.655[**]
	Sig. (2-tailed)	.000		.000	.000	.000
	N	88	88	88	88	88
Structure	Pearson Correlation	.748[**]	.849[**]	1	.646[**]	.420[**]
	Sig. (2-tailed)	.000	.000		.000	.000
	N	88	88	88	88	88
Leadership	Pearson Correlation	.774[**]	.660[**]	.646[**]	1	.469[**]
	Sig. (2-tailed)	.000	.000	.000		.000
	N	88	88	88	88	88
Performance	Pearson Correlation	.443[**]	.655[**]	.420[**]	.469[**]	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	88	88	88	88	88

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

From the study findings, the Significance (2-tailed) for all variables that is organization culture, organization structure, leadership styles and communication systems were all 0.000 meaning they were all significant.

Organization culture, organization structure, leadership and communication skills at Significance (2-tailed) correlated at 0.658, 0.748 0.774 and 0.443 respectively.

5. Summary, Conclusions and Recommendations

5.1 Summary of Findings

The main objective of this study was to analyze the key drivers of strategy implementation in commercial banks in Nairobi County in Kenya. Descriptive research design was adopted for this study. The study used a sample of 88 respondents sampled from 11 listed commercial banks at Nairobi Securities Exchange-NSE Kenya. The study adopted systematic sampling to ensure it offered the assurance that the population will be evenly sampled.

The study used primary data collected from semi-structured questionnaires. Quantitative data was evaluated using descriptive statistics while the qualitative data was analyzed using content analysis. Quantitative data was coded and entered into Statistical Packages for Social Scientists (SPSS Version 21.0). Analysis was, then, based on descriptive statistics. Multiple regression analysis was employed in this study to establish the analysis of key drivers of strategy implementation in commercial banks in Nairobi County in Kenya From the study findings, in regard to their gender, most of the participants were males as opposed to their female counterparts.

The specific objectives of the study were; To determine whether communication systems affect implementation of strategy in commercial banks in Nairobi County in Kenya; To establish whether leadership styles affect implementation of strategy in commercial banks Nairobi County in Kenya; To establish whether organizational structure affect implementation of strategy in commercial banks Nairobi County in Kenya and to establish whether existing organizational culture affects the implementation of strategy in commercial banks Nairobi County in Kenya. Considering these objectives, the study findings can be summarized as follows:

Leadership style was found to play a significant role in determining the strategy implementation performance. This can be suggested to the corporate nature of listed backs necessitating the management and other banks stakeholders adhere to policies and procedures which consequently limit initiative and risk-taking on the part of the management.

Organization structure that guide important elements of the Banks' are aimed at ensuring accountability to the shareholders and efficiency. These objectives may not necessarily be in harmony with strategic implementation performance because performance is in most cases influenced by being responsive and flexible.

On leadership, the various leadership parameters that were analyzed such as management traits, leadership actions and competencies all related positively with strategy implementation performance. Consequently, the researcher suggests that, the banks should consider providing managers with opportunity to assert more leadership roles for improved strategic implementation performance through processes like modifying organization's structure in order to implement the customized strategy.

Finally, communication system was also found to be positively and significantly related to strategy implementation performance. Statistically, the results of the regression model show that there is a positive relationship between the key drivers tested that is organization structure, organization culture, communication systems, leadership styles and the strategy implementation performance. Holding all the other factors constant, strategy implementation performance was measured by the significance of these key drivers and established that in deed the key drivers (organization structure, organization culture, communication systems, and leadership styles) contributed to 49.6 % of the variation in strategy implementation performance as explained by adjusted R^2 of 0.496.

The results of the multiple regression model shows that there is a positive relationship between the key drivers tested and strategy implementation in the listed commercial banks in Kenya. This implies that a single unit increase in any of the independent variables (key drivers) results into a corresponding increase in strategy implementation performance of in the listed commercial banks in Nairobi County-Kenya. The study established the key drivers (organization structure, organization culture, communication systems, and leadership styles) affect strategy implementation performance in the listed commercial banks in Nairobi County-Kenya to a great extent.

The Kurt Lewis Theory of Change compliments the role of leadership in strategy implementation success particularly with the Action research model, Schein (2009) enhanced Lewin's model further by describing and adding the psychological mechanism typical for each phase of the model. Leadership was analyzed in terms of motivation and leadership actions which proved to be very significant in strategy implementation performance.

Expectancy theory on the other hand is employed in strategy implementation to give details the relationship of

employee commitment to peruse a strategic implementation. As proposed by Guth and Macmillan (2009), Expectancy theory of motivation recommends that an individual will choose to act or behave in a specific way since they are motivated to choose a specific behavior over other behaviors. In this study, it was clear that the organization culture had a positive and significant relationship with strategy implementation performance. This position justifies the spirit of Expectancy theory.

Finally, Cognitive theory compliments the study since advocates for a linkage as a bridge between strategy implementation and the employees, especially the focus of middle management (Nguyen, 2009). Organization structure on emphasis to explore how management aligns implementation of a strategic change, their perceptions and mechanism to effective strategy implementation performance. The study findings showed a significant relationship between the organization structure instituted and strategy implementation performance.

5.2 Conclusions

From the findings of the study, it was concluded that in deed those listed commercial banks at Nairobi Securities Exchange-NSE Kenya which had invested on various strategic initiatives had more improved strategy implementation performance as compared to those banks with weak strategic initiatives (drivers).

From the findings, those listed commercial banks at Nairobi Securities Exchange-NSE in Nairobi County-Kenya that invested heavily in innovation in effective communication systems, inspirational leadership, functional and culture recorded high level of strategic implementation performance revealed by unanimous consent of "Good strategies implemented has increased our profitability levels for the last five years" while organization structure had a negative relationship with strategy implementation performance.

Most listed commercial banks at Nairobi Securities Exchange-NSE in Nairobi county- Kenya that fully invested in key drivers were able to record significant profitability for the last 5 years. Based on the study findings, the results indicated that eeffective communication is important for successful implementation of strategy and that communication helps the managers to perform the basic functions of strategic management which include planning, organizing, motivating and controlling. Basically communication serves as the foundation of every facet of strategy implementation and also keeps the foundation of motivation in the strategy implementation process.

The findings of the study found that for a strategy within an organization to develop and be implemented successfully, the bank must fully align with the organizational culture. That is, initiatives and goals must be established within an organization to support and establish an organizational culture that embraces the organizations strategy over time. In this regard, organizational culture influences leadership style of managers, understanding of strategy implementation, identification of difficulties and obstacles during implementation, how managers make decisions and the dominant values, beliefs and norms.

From the findings of the study, the leadership or top management's commitment to the strategic direction is important and managers must not spare any effort to persuade, (inspire and motivate) in leadership the employees of their ideas for strategy implementation to be effective. The leadership role in the implementation process is to lead in strategy implementation performance.

Lastly, the study also revealed that listed commercial banks at Nairobi Securities Exchange-NSE in Nairobi County-Kenya should have a functional and process-oriented structure which enhances strategy implementation performance. Currently a negative relationship is established between the current state of organization structure and strategy implementation performance.

5.3 Recommendations

The study recommends that, the managers should always give direction and supervision through different phases of strategy implementation. Implementing a change is often done in phases. The listed banks at NSE leadership need to be able to identify when each phase of a strategic implementation is complete and be ready to transition the organization to the next phase. The management should also make sure that all stakeholders are involved in strategy implementation.

The leadership should also improve the interest of all stakeholders in strategy implementation since implementing change within an organization requires a feeling of urgency on the part of the entire company. Leadership should make employees feel good to be around them and also help other employees to develop themselves. The management responsible for the strategic implementation should be able to select the people and teams best capable of moving the project forward.

5.4 Limitations of the Study

The researcher had various challenges when conducting the study which included the fact that some of the respondents did not find the subject to be of interest. Additionally, some respondents did not want to give the information as they considered it confidential. The researcher however managed to address this limitation by issuance of introduction letter from the university and assurance of confidentiality.

Time limitation also made it impractical to include more respondents in the study hence the study settled for a representative sample of 91 sampled respondents. This study was also limited by other factors in that some respondents may have been biased or dishonest in their answers. More respondents would have been essential to increase the representation of listed commercial banks in this study and to allow for better check of consistency of the information given. However, the researcher did look for contradictions in the information given and no inconsistency were found.

5.5 Suggestions for Further Study

Due to the dynamic nature of the banking business environment a similar study should be conducted after a period of five years in order to investigate whether there are any areas of commonalities or unique factors, this is because the level of technology is very dynamic and keeps on changing.

The study findings also revealed that key drivers (communication systems, leadership, styles, organization structure and Organization culture) only accounted for 57.7% of the variation in strategy implementation performance as explained by adjusted R^2 of 0.556. Meaning other factors not tested like level of technology adoption should be considered for further research.

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Appendices

Appendix I: Questionnaire

My name is Jecinta Waititu, registration number; BUS-3-4418-3/2013. I am an MBA student from KEMU University. I am carrying out a research titled **'Analysis of the Strategy Implementation Drivers in Commercial Banks in Nairobi, Kenya'**. Please answer the following questions about strategy implementation in your organization. This will take approximately 15-25 minutes of your time. Your answers will not be shared with anyone outside this research project.

Thank you for your understanding and time.

Section A: General Information

By the means of tick (√) kindly indicate an option that best describes you where appropriate. Also fill in the blanks where necessary.

1. Name of the BANK_____(Optional)

2. Gender (a). Female

(b). Male

3. Age Bracket

18-25	26 – 30	31 – 35	36 -40	41 – 45	46 – 50	51 and above

4. Length of service in the bank

Less than 5 years	5-10 years	Over 10 years

5. Your Current Position:_____

Section B: Communication Systems

i)   Please indicate your overall evaluation as to whether communication systems affect implementation of strategy in the bank by placing a check (√) mark in the relevant box below using the following scale;=

1. Strongly Agree (SA)   2. Agree (A)   3. Neutral (N)   4. Disagree (D)   5. Strongly Disagree (SD)

Communication Systems	SA	A	N	D	SD
In your opinion, do you think the communication systems as practiced by the bank influence strategy implementation?					
The extent to which the subordinates are responsive to downward directive communication is very good					
In this bank, the extent to which communication practices are adaptable to emergencies is very good					
In this bank, the extent to which the grapevine is active in our organization is over the top					
In this bank, the extent to which written directives and reports are clear and concise is very good					
Some failure in internal communication has sometimes led to failure in change implementation					
There is mutual relationship among the workers in the bank and this enhances communication and hence change management					
Strategic change implementation is communicated effectively within the bank departments which enhances strategy implementation					
I strongly believe the willingness to accept and implement change is partly down to elaborate communication systems instituted and practiced by the bank					
The bank's effectiveness at evaluating the impact of changes and feedback is down to well structured communication systems					

Section C: Leadership Styles

ii)   Please indicate your overall evaluation on leadership styles   by placing a check (√) mark in the relevant box below using the following scale;

1. Strongly Agree (SA)   2. Agree (A)   3. Neutral (N)   4. Disagree (D)   5. Strongly Disagree (SD)

Leadership Styles	SA	A	N	D	SD
Leaders make employees feel good to be around them					
Leaders tell the employees what they need to do if they want to be rewarded for their work					
Staff have complete faith in the Leaders					
Leaders use tools, images, stories and models to help other people understand what they need to do					
Leaders tell others in a few simple words what need to be done					
Leaders help others to think about old problems in new ways					
Leaders help other employees to develop themselves					
Leaders provide staff with new ways of looking at complex or difficult issues					
Leaders provide feedback to staff					
Leaders reward employees when they achieve					
Leaders give employees freedom to do what they want to do					

Section D: Organizational Structure

iii) Please indicate your overall evaluation as to whether organizational structure affect implementation of strategy in the bank by placing a check (√) mark in the relevant box below using the following scale;

1. a) Strongly Agree (SA)   2. Agree (A)   3. Neutral (N)   4. Disagree (D)   5. Strongly Disagree (SD)

Organizational Structure	SA	A	N	D	SD
The bank have a functional and a process-oriented structure					
In your opinion, is it true that organization structure influence strategy implementation?					
The current status of organizational institutional effectiveness and this effectively aid strategy implementation					
The status of the bank's organizational structure inhibits the free flow of information critical to strategy implementation					
The status of the bank's structure enhances organizational flexibility critical to strategy implementation					
Employees have enough knowledge of their company, its aims and their own tasks to know why things are as they are					
The bank have a large number of specialist functions which increases efficiency					
The bank has the financial capacity to implement strategies					
The human resource capability to manage and implement new strategic direction by the Membership is sufficient					
The current structure of the bank is appropriate to support the implementation of strategic initiatives.					

Section E: Organizational Culture

iv) Please indicate your overall evaluation to whether organizational culture affects the implementation of strategy in the bank by placing a check (√) mark in the relevant box below using the following scale;

1. Strongly Agree (SA)   2. Agree (A)   3. Neutral (N)   4. Disagree (D)   5. Strongly Disagree (SD)

Organizational Culture	SA	A	N	D	SD
In your opinion, do you think organization culture influence strategy implementation					
In this organization people are flexible and adaptable when changes are necessary					
In this organization, Individuals and teams have clearly defined goals that relate to the goals and mission of the business.					
Employee attitudes and strategic goals and objectives are in strong harmony and this enhances strategy implementation					
The bank adheres to its mission vision and values all the time and this aids in effective strategy implementation					
In this organization, people sometimes compromise company policies or principles to reach operational goals.					
The bank has clear vision, mission and values among employees throughout the organization					
In the bank working environment there is tolerance of new ideas and this enhances strategy implementation					
I rate highly the motivation to maintain and support the implementation of strategic initiatives by the entire staff of the bank					
The understanding of the bank's value statements or values/culture aid in strategy implementation success					

Section F: Strategy Implementation Performance

v)   Please indicate your overall evaluation on strategy implementation performance for the bank by placing a check (√) mark in the relevant box below using the following scale;

1. Strongly Agree (SA)   2. Agree (A)   3. Neutral (N) 4. Disagree (DA)   5. Strongly Disagree (SD)

Strategy Implementation Performance	SA	A	N	D	SD
Good strategies implemented has increased our profitability levels last 5 years					
Good strategies implemented has increased volume of sales last 5 years					
Number of employees has increased last 5 years					
Bank management is highly satisfied by Returns on Assets last 5 years					
Bank management is satisfied with Returns on Equity…Money borrowed from other financiers					
Products uptake by customers has increased					
Customer base has increased over last 5 years					
The bank has expanded over last 5 years					
Efficiency in internal work processes has improved					
Share value at NSE has improved over last 5 years					

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