

INFLUENCE OF STRATEGIC PLANNING ON PERFORMANCE OF COMMERCIAL BANKS IN KENYA: CASE OF BARCLAYS BANK OF KENYA

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ABSTRACT

Over the last five years, the banking sector globally and particularly in Kenya has performed dismally courtesy of heightened competition from other players in the financial sector, unfavourable government policies, the global financial crisis and poor strategic planning. Strategic planning is a critical stage in the strategic management cycle or process. It guides the kind of strategy to be adopted, mode of formulation, implementation and monitoring and evaluation. Poor competitive strategic planning has led to some banks winding up, failing to counter competition and being rendered insolvent. This study therefore sought to investigate the effects of strategic planning on financial performance of Barclays Bank, Kenya Limited as a representative of other commercial banks in Kenya. The specific objectives of the study were to establish the effect of the managerial factors, organizational factors, strategic intent and objective setting on financial performance of selected commercial banks in Kenya. The study was anchored on the theory of strategic balancing and Resource-based view theory. The study reviewed the related literature on the study variables and research gaps established. The study adopted descriptive research design to support and meet the objectives of the research. The target population for this study was the managers of Barclays Kenya Ltd as at 31st December 2011. The sample size was 114 comprising of 10 top level managers, 34 middle level managers and 70 low level managers. Questionnaire was used as a data collection instrument. The study reasoned that administrative factors decidedly

influences the monetary execution of those banks and that there was a solid positive connection between directors helping their staff create themselves, administrators controlling their staff on the best way to do their work keeping in mind the end goal to be remunerated. Authoritative components influence budgetary profundity and access to money related administrations more than resource quality and productivity in those banks of Kenya. Hierarchical elements assume a critical part during the time spent money related execution measures specific in the managing an account area. Strategic expectation speaks to a solidified vision of banks sought heading of development and assumes an urgent part in moulding banks' asset allotment and capacity advancement. Particular budgetary targets organizations set for themselves can matter an extraordinary arrangement. Setting focuses on that are excessively forceful can imply that even the best endeavours go unrewarded, leaving individuals debilitated. The study recommended that banks in Kenya should set their structure of administration and suitable lines of specialist, and have clear, open lines of correspondence with their workers. Build up some imaginative positive and negative results for accomplishing or not accomplishing the procedure. Banks ought to build up a contender centre at each level through across the board utilization of aggressive knowledge. Give representatives better money related aptitudes they have to work adequately. Banks should devise better ways that can quantify a banks relative execution, set targets and gauge the likelihood of accomplishing determined

focuses over various eras that enables supervisors to foresee better future course of activities. The banks ought to regularly swing to a relative evaluation of past and current execution. Contrast an organization's outcomes and those of a pertinent

companion gathering and set focuses for development that convert into wanted increments in relative monetary execution.

Key Words: *strategic planning, performance, commercial banks, Barclays Bank of Kenya*

INTRODUCTION

Strategic planning is commonly practiced in order to enhance the Organizations performance. It is the cornerstone of every organization without which the organization will never know where it is going or when to achieve its objectives. An important concept of strategic planning is an understanding that in order for an organization to flourish, everyone needs to work to ensure the team's goals are met (Johnson and Scholes, 2000). The basic strategic planning model suggests that a company's strategies are as a result of a plan hence the planning process itself is rational, highly structured and that the process itself is orchestrated by top management. The organizations engage in strategic planning practices so as to clearly define their goals and objectives (Baker and Zawada, 2001). Strategic planning's roots are in the arena of large scale military operations and it can be defined as the fit between an organization and its environment (Schwenk & Shrader, 2013). It is a top-down approach concerned with the long-term mission and objectives of an organisation, the resources used in achieving those objectives, and the policies and guidelines that govern the acquisition, use, and disposition of those resources. It must also take into account the opportunities available to the organisation, and an assessment of its ability to exploit those opportunities with a view to gaining a distinct competitive advantage (Henry, 2004).

Strategic planning practices is a formal process designed to help a firms identify and maintain an optimal alignment with the most important elements, the environment within which the organization resides. An organization practicing effective strategic planning involves, defining the organizational vision and mission, environmental scanning, setting of objectives, generating strategic options, evaluating and deciding on the strategic methods to monitor progress. For organization to achieve its desired goals and maximize profits it needs to follow the step of corporate strategic planning. Performance is ensured and a clear vision is set that avoids confusion between activities of the business. The Strategic planning practices allow improvement of firm performance which establishes constraints and guidelines in the form of vision and mission statements, corporate initiatives, and performance expectations. An important concept of strategic planning practices is an understanding that in order for an organization to flourish, everyone needs to work to ensure the team's goals are met (Johnson and Scholes, 2000).

The organization's influence on its practices has both direct and indirect influences on carrying those practices out. To make execution measures, it is Strategic to first reconnect with the

foundation's main goal and partner desires, and considers what comes about are being estimated and remunerated in the establishment. Once the present measures are recognized, consider how those measures may be changed to give a clearer photo of the outcomes accomplished, and how those outcomes identify with the mission and partner desires. Execution of an establishment can be estimated in wording that is both relative and total. Strategic arranging practices will consequently help an organization in its execution. Execution would thus be able to be viewed as the way in which an organization completed its obligations. A few years back, execution was underestimated; it was that the need and vale of strategic planning was seen by. Some of these establishments are embracing these practices, however how they do it is as yet not clear (Baker & Zawada, 2001).

Banking industry improves by the relatively insular processes of business process redesign, re-branding and transformation. The aim of these processes has been generally to create a customer-focused approach. Such an approach can obviously be appropriate and effective where the business is confident that what it is doing is right for now and for the future. However, periodically, there is a need to revisit original aims and objectives to ensure that the company is doing the right things as well as doing them right (Jonnes, 2011). According to reports from CBK (2012) majority of the commercial banks experienced improved performance for the financial year 2011 that ended has profits increased from 10.1 million to 12.8 million. The cooperative bank experienced a growth of 57% which translated to the banking having 2.2 million active account holders. Further, Equity bank had 28% growth making it have a cumulative 49% of all account holders. Results from the fast quarter of 2011 indicated that CO-OP Bank had moved from position 5 to 4 which was being held by Standard Chartered Bank of Kenya in profits before taxation. The top three position were held by Equity Bank, Kenya Commercial Bank and Barclays Bank of Kenya with registering profits before tax of Kshs. 5.84 Billion, Kshs. 5.74 Billion and Kshs. 5.35 Billion each (CBK, 2011).

Barclays Bank Limited

Having opened its doors to Kenya in 1910 as Standard Bank of South Africa, Barclays Bank of Kenya came into existence after the merger of both Standard Bank of South Africa and Anglo-Egyptian Bank Ltd in 1916 (Fred, 2016). Barclays has worked in Kenya for more than 100 years. Monetary quality combined with broad neighbourhood and universal assets have situated Barclays Bank of Kenya as a best supplier of budgetary administrations in the market. Barclays Bank Of Kenya Limited is a supplier of money related administrations. The Bank works through two sections: Consumer Banking and Corporate Banking. The Consumer saving money portion incorporates fusing private client current records, funds, stores, credit and platinum cards, buyer advances and home loans. The Corporate saving money fragment incorporates a plan of action, which focuses on conveying authority speculation keeping money, financing, hazard administration and warning arrangements crosswise over resource classes to corporates, monetary establishments and government customers. The Bank gives a range of arrangements

extending from individual saving money, Visas, corporate, venture keeping money, riches and speculation administration to its clients the nation over. The Company offers Personal Banking, Prestige Banking, Premier Banking, Corporate Banking, Treasury and Life Assurance (Barclays Bank Annual Report, 2015).

Data obtained from the report of Central Bank's Banking Supervision Survey of 2011 showed that the bank had 117 branches nationwide. Cash related organization of the financial institution was of inclusive model. This financial institution is a fundamental establishment with issues associated with merchandising grandstand within the country. PC and intranet use in all outlets helps in the smooth trades all the establishments of the bank. The most astonishing number of ATMs in Kenya has a place with the Barclays bank. Barclays has developed a wide arrangement of more than 100 outlets with over 180 ATMs spread throughout the country. Barclaycard has more than 55% of Kenyans Visa advertised and is the biggest guarantor of charge cards in the European region of which more than 10 million cards are accessible for utilize. The association works in more than 46 countries around the globe of which less than 30 countries are in Africa, (KNBS 2011). Barclays bank in Kenya has been instrumentally and extraordinary in work formation nationwide. It has contributed hugely to the fiscal improvement by enough appreciating the cash related zone. From its inception the institution has gained impressive ground to twist up recognizably a basic player in the keeping cash industry especially as to its Barclaycard presentation.

STATEMENT OF THE PROBLEM

Among the key pillars of vision 2030, the banking has been identified as one of the key pillars in achieving the long – term strategic plan of achieving sustainable growth. These growth is seen through increment of savings, remote direct speculation (FDI), shielding Kenya's economy from outside dangers and additionally pushing Kenya in turning into a pioneer of monetary administrations in the Eastern and Southern regions of Africa (KNBS, 2011). From accessible insights of CBK, 2011, Kenya Banking Industry is position one amongst other east African countries. Strategic planning practices is a formal process designed to help a firms identify and maintain an optimal alignment with the most important elements, the environment within which the organization resides. An organization practicing effective strategic planning involves, defining the organizational vision and mission, environmental scanning, setting of objectives, generating strategic options, evaluating and deciding on the strategic methods to monitor progress. For organization to achieve its desired goals and maximize profits it needs to follow the step of corporate strategic planning. Performance is ensured and a clear vision is set that avoids confusion between activities of the business. The Strategic planning practices allow improvement of firm performance which establishes constraints and guidelines in the form of vision and mission statements, corporate initiatives, and performance expectations. An important concept of strategic planning practices is an understanding that in order for an organization to flourish, everyone needs to work to ensure the team's goals are met (Johnson and Scholes, 2000).

As indicated by the CBK (2011) Barclays Bank's benefits previously wage assess for the year finishing 2012 expanded by 12% up from down from KShs 11 billion to KShs 11.99 billion which was before Equity Bank and KCB. Besides, the announcing demonstrated that Barclays Bank had a benefit base of worth 167.0 billion making it the most relentless Bank in Kenya as far as resources, (KBA, 2012). There are numerous research studies done in Kenya in the state corporate sector but focused different aspects other than the effects of effective strategic planning on the performance of banks in Kenya; Kombo (1997) did strategic responses by firms facing changed environmental conditions in motor vehicle franchise holders and found out that motor vehicle franchise holders made substantial adjustment in their variables in order to survive in a competitive environment. Kandie (2001) did strategic planning responses by Telkom Kenya Ltd in a competitive environment and found out that although Telkom Kenya has responded to its environment, financial constraints and lack of managerial empowerment considerably limited the organization's capacity to respond. Kiptugen (2013) researched on effective strategic responses by Kenya Commercial Bank to a changing competitive environment and established that Kenya Commercial Bank responded to its changing competitive environment through restructuring, marketing, embracing information technology and culture change. Atheru (2007) worked on strategic responses by meteorological department to the needs of their customers and found out that Kenya Meteorological Department did not have adequate capacity to respond to the needs of their customers. Abuya (2008) studied strategic risk management practices among state corporations in Kenya; Wambui (2004) factors driving strategic planning by the corporate sector; Churqo (2015) have done studies on the perceived link between strategic planning and performance contracting in Kenya state corporations and Ajwag (2015) studied the relationship between corporate culture and organizational performance, a survey of Kenyan state corporations. Therefore the research is aimed at feeling the breach that exists through establishing the relationship between strategic planning and performance of Barclays bank (K). Strategic planning is important in achieving the organization's objectives, (Schmitz, 2004). Further the research sought to impact of every segment of vital anticipating execution of Barclays bank (K). Therefore, this study will bring to light what needs to be done to help Barclays bank (K) from failing and continue in operation to the foreseeable future for the betterment of the Kenyan economic health and social wellbeing of the people.

GENERAL OBJECTIVE

The general objective of this study was to investigate the effects of strategic planning on financial performance of commercial banks in Kenya; case of Barclays Bank (K) Limited.

SPECIFIC OBJECTIVES

1. To investigate the managerial factors on financial performance of selected commercial banks in Kenya.
2. To establish the effect of organizational factors on financial performance of selected commercial banks in Kenya.

3. To study the influence of strategic intent on financial performance of selected commercial banks in Kenya.
4. To assess the effect of objective setting on financial performance of selected commercial banks in Kenya.

THEORETICAL LITERATURE REVIEW

Theory of Strategic Balancing

This theory was postulated by Grant in 1859. Key adjusting relies upon the method of an association is mostly indistinguishable to the system of a man. Certainly, the execution of associations is influenced by the on-screen characters' direct, including the frameworks utilized by its pioneers' esteem (Hendrickx, 2000). Further to an experimental examination on innovative organizations together, Aliouat derived the rule of the key adjusting as indicated by which a mechanical cooperation produces mysteries and lives by its conundrums. A collusion falters between various adversarial posts that speak to collaboration and rivalry. This offers space to different arrangements of partnerships, which vanish just if the conspiracy swings towards a lion's offer of shafts of confrontation.

The strategic balancing accumulates three models, specifically social, cooperative and sending model. Rivalry turns out to be a piece of the social archetypal and the model of arrangement. It can be liable to variation between the two opposing systems, the one being dominantly helpful as depicted by the social archetypal and the other being transcendently contending as described by the archetypal of arrangement. The organization would then be able to alternate at embracing the two methodologies so as to keep their collusion adjusted. This thought is exceptionally close to that of Bengtsson and Kock (2000), as demonstrated by whom there are three sorts of forceful associations: competition ruled, joint effort led, and measure up to associations. The latter resembles the move between the social model and the model of course of action depicted by Aliouat, (2006).

Inferable from the way that particular redesigns in the business condition should be about watched, it is fundamental that senior corporate understanding pros think the degree that joining focused learning work with publicizing data work. It is valuable to consider the unmistakable obligations distinctive focused information made available by experts up to this point. For instance, Prescott and Bhardwaj (1995) made reference to how a compelling understanding framework is made out of four interrelated segments: affiliation, faculty, centre meander tries, and results. A key point out climb out of made by Prescott and Bhardwaj (1995) is that senior boss need to think as for working up a different levelled structure that meets the uncommon needs of the alliance.

Other fundamental concentrations to ascend out of the written work are that Strategic organizing programs need to give an appreciation of the business itself and the sort of contenders working in

the business; regions of frailty ought to be recognized; and the possible moves of contenders ought to be evaluated remembering the ultimate objective to perceive how industry stream may change (Prescott, 1995). The significance of an engaged information industry-specific approach has been highlighted by Marceau and Sawka (2001).

Herring (2014) associated the understanding focuses (KIT) procedure with a particular true objective to recognize and compose the key learning needs of senior organization and the affiliation itself. This guaranteed knowledge operations were compelling and fitting insight was created. Herring's (2014) approach is useful in light of the fact that it grants corporate learning staff to recognize key issues and appropriately senior organization can ensure that imperative understanding comes to fruition. Exchange purposes of intrigue are that an early advised system can be set up and this will empower potential risks to be perceived; and further, key players can be recognized and checked (Herring, 2014).

This sort of approach can be seen as both steady and Strategic concerning the worldwide business focus. For example, Tessun (2001) has laid out how staffs at Daimler-Benz Aerospace use a circumstance methodology to make a key early forewarning structure those backings the age/change of attractive techniques and frameworks. This reinforces the point made before that corporate understanding staffs ought to be stressed over speculation building. This view can be ensured on the begin that senior administrators inside the connection are requesting instructed/redress data, and are asking for that it is made accessible at the soonest opportunity.

Resource-based View Theory

The theory was developed by Penrose in 1959. According to the theory there is strong evidence that supports the RBV which indicates that firms compete in an ever changing business environment. Organizations can attain and achieve a sustained competitive advantage through their employees according to Barney (1991). This can be realized when a firm has a human resource pool that cannot be imitated or substituted by its rivals or competitors. The RBV as a basis of competitive advantage lies primarily in the application of the bundle of valuable resources at the disposal of the firm. The firm has to identify the key potential resources which should fulfill the criteria of being valuable, rare, in-imitable and non-substitutable by the firms' competitors (Galbreath, 2005).

In strategy literature, and in particular, the resource based view of the firm (Barney, 1991) provides a key element that if HRM systems are to create sustained competitive advantage, they must be difficult to imitate. Lado, & Wilson, Mary (1994) two features of a strategic resource that enhance inimitability and that characterize High Performance Work Systems (HPWS), these are, path dependency and causal ambiguity. Path dependency characterizes resources that are developed over time such that learning and experience provide cumulative "first mover" advantage. A competitor cannot simply purchase an equivalent resource from the market and "catch up" with a rival firm. Causal ambiguity describes resources whose content and essential

ingredients are so subtle and difficult to fully comprehend that observers outside the firm are not able to reproduce in their own organizations. The causal ambiguity of an appropriately aligned HPWS that embeds effective strategy implementation throughout the firm is a good illustration (Lado & Wilson, 1994; Lengnick-Hall, 1998). This is what helps a firm to create a competitive advantage through its unique human resource.

EMPIRICAL LITERATURE REVIEW

Managerial Factors

A recommendation put forward in this paper is that the degree, to which banks take part in the vital arranging procedure, regardless of whether the procedure is formal or casual, relies upon certain administrative elements. In spite of the fact that there might be a few administrative determinants of key arranging power, the investigations referred to in the following two divisions of this study propose that strategic planning mastery plus convictions about scheduling execution connections are significant elements, (Shepherd, 1975; Winn, 1977).

Motivation of employees is an important factor in the organization performance. Chabra (2008) has defined motivation as the complex of forces starting and keeping a person at work in an organization. These forces determine the way people work and perform in the organization. The more the staffs are motivated the more they perform well in the organization. Different staff may be motivated by different things depending on their priorities in life.

The job of a manager in the workplace is to get things done through employees. To do this the manager should be able to motivate employees. But that's easier said than done, motivation practice and theory are difficult subjects, touching on several disciplines. Decenzo and Robbins (2008) on the effects of remuneration in an organization observed that quite apart from the benefit and moral value of an altruistic approach to treating colleagues as human beings and respecting human dignity in all its forms, research and observations show that well motivated employees are more productive and creative. The inverse also holds true.

Organizational Factors

In a study on non financial firms, Colon (1982) discovered that the complexity of structure majorly caused by increasing diversity and magnitude were some of the determinant under which organizations engaged themselves in strategic planning. Further, Lenz (1981) attributed that complexity in structures influenced strategic planning that eventually affected its enactment. These authoritative variables are likewise proposed to be determinants of the degree to which banks engaged in the strategic planning procedure. In studies carried out on banking industry, showed that majority of the adopted expansion on different bases that made them expand and grow both size wise and structural complexitism (Gup and White head, 1989; Wood, 1980). Findings from this studies concluded that managers had to be more creative in planning procedure to achieve the required results thus their involvement in every planning procedure.

This also saw strategic planning intensity and firm sizes having direct impact on the financial performance of through powers of economic scales and markets (Shepherd, 1975; Winn, 1977).

Strategic Intent

According to Ansoff, and McDonnell, (1990) effective strategic planning practice is the product of the best minds inside and outside the corporation. The process considers future implications of current decisions, adjusts plans to the emerging business environment, manages the business analytically, and links, directs, and controls complex enterprises through a practical, working management system. Strategic planning practice involves formulation of vision and mission statement, performance of situational analysis and finally strategy implementation and choice (Pearce and Robinson, 2008).

Decenzo and Robbins (2008) advanced that an effective strategic planning system for an organization links long-range strategic goals with both mid-range and operational plans. The nature of strategic planning itself described strategy planning as an on-going, never-ending, integrated process requiring continuous reassessment and reformation. Strategic planning is thus deliberate and emergent, dynamic and interactive. Galbreath, (2005) recognized that strategy is partially deliberate and partially unplanned.

Chimbugia (2011) suggested that effective planning as a practice is not as rational and analytical as it has been portrayed in the literature. He argues for the lost art (rather than science) of planning. He contends that planning is both a generic activity whose success determinants are partially independent of the area in which it is applied and an area where judgment, intuition and creativity are still important. The formality of strategic planning has been associated with the field of strategic planning from its earliest foundation. The early developments significantly include that of Andrews (Ansoff, 1965). According to Bresser and Bishop (2013), formalization is the degree to which the norms of the organization are explicitly defined. He further distinguished between “formalization”, referring to whether these norms are written down in manuals and other documents.

In help of this attestation, Steiner (1979) recommended that firms don't connect with vigorously in the key arranging procedure on the grounds that their directors don't recognize what influences the procedure to work. By and large, these examinations infer that the reason vital arranging isn't done with much power in some firms is on account of supervisors in these firms don't completely comprehend or have little involvement in key arranging techniques. Such a view is upheld by a few investigations (cf. Ring-bakk, 1971; Steiner, 1969; Taylor, 1975), which are in understanding that in those firms where man-agers are not learned about or talented in each progression of the vital arranging procedure, the procedure isn't probably going to be occupied with much force.

Austin (1990) perceived that the mastery of directors in a few banks to take part in the vital arranging procedure may not be as high as in others. We contend in this investigation that in banks where administrative key arranging ability is high, the bank chiefs are probably going to take part in the key arranging procedure with enough power to affect the main issue. Environmental scanning involves the studying and familiarising to activities related to management and its trends within the organization spheres (Hambrick, 1981; Foss et al, 2008) as an entrepreneurial strategy. It assists managers in coping with various problems and challenges with perspective that they can only be minimized rather than eliminated. This provides for managers to be alert with regards to the magnitude of the scanning procedure thus high levels of environmental scanning is actuated with entrepreneurial steps thus inseparable from strategic management procedure of developing the mission and vision statements of the organization (Miller and Friesen, 1982; Barringer&Bluedorn, 2014; Alvarez &Busenitz, 2007).

As a result, firms develop scanning mechanisms with focusing on detection of shifts in environmental trends that provide opportunities for new products and services also facilitating the risk taking dimensions of entrepreneurial behaviour. For less competitive firms or conservative firms, scanning is less likely to be a critical entrepreneurial strategic planning function. Conservative firms are usually located in industries that compete in stable environments (Covin&Slevin, 1991). These environments generate low levels of uncertainty and, consequently, do not require an extensive search procedure to remain understood (Covin&Slevin, 1989; Poister&Streib, 2005). Thus an overemphasis on environmental scanning for competitive firms may be counterproductive though when strategic management is employed the situation is largely improved since setting the vision and the mission largely buffers this.

Objective Setting

From studies of 211 firms, Eastlack and McDonald (1970) discovered, with the involvement of managers in the strategic planning procedure, better results were achieved thus improved performance. While their findings don't demonstrate that key arranging brings about unrivalled financial execution, tending's do show that the administrators accepted vital arranging delivered enough benefits in their firms to give a considerable extent of their chance taking part in the strategy with more prominent force.

The relations concerning significance of key arranging and financial execution has been the concentration of a few investigations (Burt, 1978; Guynes, 1969; Leonides and Tezel, 1980). Disregarding the blended outcomes, findings of these examinations for the most part recommend that the more noteworthy the apparent significance of the vital arranging procedure, the more prominent is administration's fulfilment with the firm's financial execution. These outcomes, in spite of their uncertainty, suggest that the more grounded administration's convictions that key arranging brings about better financial execution, the higher the probability that the vital arranging procedure will be occupied with more noteworthy force. In his assessment of the Bank America Corporation, Clausen (1990) proposed that administration's journey to make an

incentive for both outside and inner partners restored their sense of duty regarding the key arranging procedure. The suggestion here is this recharged duty was influenced by administration convictions that a positive relationship exists between more prominent contribution in the key arranging procedure (or more noteworthy vital arranging power) and Bank-America's financial performance.

RESEARCH METHODOLOGY

Research Design

The study used descriptive research design to uncover impact of key arranging against execution of chosen banks in Kenya specifically Barclays Bank of Kenya, Nairobi branch. Descriptive research design characterizes a subject, frequently by making a profile of a gathering of issues, individuals or occasions through accumulation of information and classification of frequencies on investigate factors or their collaboration (Cooper and Schindler, 2013). This design was adopted by the researcher has it brought out the understanding of issues that were complex thus an in – depth research based on the objectives of the study thus examination of the phenomenon. According to Kothari, 2008, descriptive design permits the researcher to use both quantitative and qualitative data thus subsequent analysis.

Target Population

The target population of the study encompassed of 33 top level management, 112 middle level and 232 low level management. According to Barclays Bank HR division (2017) the organization has a total 377 management staff based at the headquarters in Nairobi County, Kenya. The management staff structure in Barclays Bank Ltd is composed of three level categories; top management level consisting of the executives; middle level management comprising of functional heads and senior managers, while low level management comprising of the departmental managers.

Sampling Technique

The study employed stratified random sampling design because it provided an equal opportunity for all the participants to be selected. The management levels formed the strata. The sampling echelon was encompassed with the innumerable cohorts of administration in Barclays bank (K) which included: the top, middle and low levels. Mugenda and Mugenda (2014) detested that a sample size of at least 25% and more was sufficient for the study. The sample size of the population was 377.

Data Collection Procedure

Permission was sort from the institution, permit was acquired from NACOSTI, and also from the research area jurisdiction. The data was collected within 14 working days. This period was to

allow the respondents to have adequate time for understanding and filling the questionnaire. Questionnaires were used in the collection of primary data.

Data Collection Instrument

This study utilized a questionnaires that were semi – structured and employed the Likert that were in the range of scale 1 – 5 where 1 is strongly agree while 5 was strongly disagree. The questionnaire structure was based on the study objectives of the research.

Data Analysis and Presentation

The collected data was analysed, grouped based on the research objectives and errors removed to meet the objectivity of the study by use of SPSS v23. The findings were represented both quantitatively and qualitatively and informs of frequencies, percentages charts, pie charts and histograms. The analysis of the collected data was computed by use of SPSS (v23). Different relapses, ANOVA test was utilized to decide the impact of profit strategy on stock costs. The study was analyzed using multiple regression analysis.

$$Y' = A + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4$$

Where: Y'- Financial Performance; X₁. Managerial Factors; X₂- Organizational factors; X₃- Strategic Intent; X₃- Objective Setting; b₁, b₂, b₃ and b₄ = the variable coefficients

RESEARCH RESULTS

Managerial Factors

Study findings found out that administrative components had a positive and critical impact on the money-related execution of chose banks in Kenya as demonstrated by beta esteems. The vast majority of the respondents unequivocally concurred that administration in their association can Forecast deals, client inclinations, and innovation patterns, Managers in your association don't completely comprehend or have little involvement in key arranging strategies and the more grounded the organization's feelings that key orchestrating achieves better financial execution, the better the affiliation's financial execution.

Organizational Factors

The study established that hierarchical elements had a positive and basic effect on money related execution of chose banks in Kenya as demonstrated by beta esteems. The majority of the respondents unequivocally concurred that in a scenario where the conditions were favourable, with a suitable organization of relationship nearby a robust organization with set vision and express progressive beliefs, a productive indispensable orchestrating method can be set going likewise, that despite being a proposed determinant of key masterminding power, firm measure is

moreover proposed to straightforwardly influence financial execution in relationship, through monetary parts of scale and market control.

Strategic Intent

The study established that strategic intent had a positive and critical impact on monetary execution of chose banks in Kenya as demonstrated by beta esteems. Most of the respondents emphatically concurred that associations make inspecting instruments that consideration on recognizing shifts in normal examples that offer opportunities to new things and organizations and that orchestrating flexibility and the methodology of fundamental organization set up may undermine the ampleness of direct less improvement arranged firms.

Objective Setting

The study established that objective setting had a constructive and critical impact on financial execution for chosen banks for Kenya as shown by beta values ($t= 1.122, p < 0.05$). Most of respondents strongly agreed that objective setting needs an appreciation of stakeholder engagement and the external environment as a whole ($M=4.56, SD=0540$) and that objectives have to be established given the problems that arise to the financial strategist and the market force ($M=4.06, SD=1.196$).

REGRESSION ANALYSIS

Multiple regression analysis was employed in testing the association between independent and dependent variable. Usage of SPSS version 23.0 was adopted in ciphering, entering and computing the dimensions of the numerous regressions for those investigations.

Table 1: Model Summary

Model R	R Square	Adjusted R Square	Std. Error Change Statistics							
			of the R Estimate	Square F Change	Change	df1	df2	Sig. Change	F	
1	.535 ^a	.612	.773	.615	.112	2.845	4	90	.002	

a. Predictors: (Constant), Objective setting, Managerial factors, Strategic intent, Organizational factors

Coefficient of determination assurance discloses the degree of variations of the dependant a variable can be cleared up by the free or level of assortment in the penniless variable that is illuminated by all the four self-ruling components. The four free factors that the specialist received, elucidate in a manner of speaking 77.3% of the fiscal establishment of chose banks in Kenya by the balanced R squared. This implied alternate components not considered in this exploration added to 22.7% in this way requirement for additionally examine thinks about on the rest of the variables and their impact on the execution of banks.

Table 2: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.306	4	1.076	7.845	.002 ^a
	Residual	34.052	90	.378		
	Total	38.358	94			

a. Predictors: (Constant), Objective setting, Managerial factors, Strategic intent, Organizational factors

b. Dependent Variable: Financial performance

The hugeness esteem is 0.002a which is under 0.05 accordingly the classical is factually huge on gauging the way the different components influenced the fiscal order of the chose banks in Kenya. The F basic at 5% level of hugeness was 1.454. Since F figured is more prominent than the F basic (esteem = 7.845), these discoveries presumed that entire model was huge. The relationship ($p < 0.05$) demonstrated the direct connection amongst factors under examination importance there was 94% gamble particularly the connection between factors was not because of possibility.

Table 3: Determination of Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		95.0% Confidence Interval for B		
		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	0.555	.599		8.939	.000	4.165	6.546
	Managerial factors	.624	.108	2.137	1.147	.001	.338	.091
	Organizational factors	.811	.087	4.016	2.123	.003	.162	.183
	Strategic intent	.543	.056	4.281	2.579	.002	.253	.033
	Objective setting	.471	.061	1.122	1.152	.002	.193	.051

a. Dependent Variable: Financial performance

As per the SPSS generated Table 4.9, the equation ($Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$) becomes:

$$Y = 0.555 + 0.624 X_1 + 0.811X_3 - 0.543 X_3 + 0.471X_4$$

Where: Y= Financial Performance; X₁= Managerial Factors; X₂= Organizational Factors; X₃= Strategic Intent; X₄= Objective Setting

The regression equation established, taking all independent variables (managerial factors, organizational factors, strategic intent and objective setting) constant at zero, financial performance of selected commercial bank would be 55.5%. The data outcomes also exhibited that all the self-determining inconstant had affirmative and significant effect on financial performance amongst financial institutions in the country as exhibited by the research findings. The connection ($p < 0.05$) are substantial with managerial factors (2.137, $p < 0.05$), organizational factors (4.016, $p < 0.05$), strategic intent (4.281, $p < 0.05$) and objective setting (1.122, $p < 0.05$).

CONCLUSIONS

The study concluded that managerial factors positively affects the budgetary execution of those banks and that there was a solid positive relationship between managers helping their staff develop themselves, managers guiding their staff on how to do their work in order to be rewarded, managers being satisfied with their staff if they meet the agreed upon targets, staff receiving recognition and rewards for performance, setting the standards of working to their staff members and managers not asking for more information than what is essentially required. The study also concluded that organizational factors affect financial depth and access to financial services more than asset quality and profitability in selected commercial banks of Kenya. Organizational factors play an important role in the procedure of financial performance measures particular in the banking sector. The management relates well with employees within the organization and the goals of and incentives for the workforce are aligned with the strategy. The study also found that the main the main drivers for restructuring were competition, new company strategy, budgetary cuts, public pressure and change in government policy.

The study concluded that Strategic intent represents a crystallized vision of commercial banks aspired direction of growth and plays a pivotal role in shaping banks resource allocation and capability development. Vision and objectives dimension of strategic intent has a significant and positive relationship with financial performance in the banking industry. The study concluded that the specific money related goals organizations set for they can matter an incredible arrangement. Setting focuses on that are excessively forceful can imply that even the best endeavours go unrewarded, leaving individuals dispirited. Defining the correct objective for the wrong goal a leave the bank battling notwithstanding when its objectives have been met.

RECOMMENDATIONS

The study recommended that managerial factors that have a strong positive relationship with bank' financial performance should be put into practice. It is therefore recommended that managers should help others develop themselves, guide to be rewarded be remunerated for their work, be fulfilled when others meet settled upon benchmarks; give acknowledgment or prizes; advise others the norms they need to know to complete their work and solicit no more from others than what is significant.

The investigation suggested that the banks in Kenya should set their structure of administration and suitable lines of specialist, and have clear, open lines of correspondence with their representatives. Build up some imaginative positive and negative results for accomplishing or not accomplishing the methodology. The association should actualize methodologies, for example, viable reward administration frameworks intended to upgrade supervisor's sense of duty regarding playing out their parts and additionally joining lower positions of representatives in the system usage procedure towards better money related execution.

The investigation likewise suggested that banks ought to build up a contender center at each level through far reaching utilization of focused insight. Furnish representatives with better budgetary aptitudes they have to work successfully. Set up clear turning points and survey systems to track advance, and guarantee that inside acknowledgment and prizes strengthen wanted practices.

The study likewise suggested that banks should devise better ways that can quantify a bank's relative execution, set targets and gauge the likelihood of accomplishing indicated focuses over various eras that enables administrators to foresee better future course of activities. The banks ought to normally swing to a relative evaluation of past and current execution. Contrast an organization's outcomes and those of an applicable associate gathering and set focuses for development that convert into wanted increments in relative monetary execution.

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