ORGANIZATION CULTURE, STRATEGY OPERATIONALISATION AND PERFORMANCE OF COMMERCIAL BANKS IN KENYA

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DECLARATION

This Thesis is my original work and has not been presented for a degree in any other university.

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DEDICATION

To my mother for instilling in me virtues of hard work, responsibility, discipline, passion and aspirations for greater things in life and for making me who I am, your prayers and wise counsel will forever be treasured.

To my wife, your encouragement and patience during the long and many hours of absence cannot be taken for granted.

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ABSTRACT

Given the highly competitive banking sector, banks must design, adopt and successfully implement superior strategies. Successful implementation of strategies remains a challenging task to organizations. While empirical literature indicates that a relationship exist between organizational culture and organization performance, there is insufficient research on how strategy operationalisation affects this relationship. The purpose of this study was to examine the mediating effect of strategy operationalisation on the relationship between organization culture and bank performance. The purpose of this study was to assess the relationship between organisational culture and performance and to examine the effect of strategy operationalisation on the relationship between culture and performance of commercial banks in Kenya. While, Trompenaar's organisational culture framework comprising incubator, Eiffel tower family and guided missile culture was used to underpin organisational culture, the balanced scorecard framework was used in to measure performance. A descriptive census survey was conducted using structured questionnaire to collect primary data from three employees from each of the 43 commercial banks in Kenya. Secondary data was collected from the banks records and from the Central Bank of Kenya reports. Descriptive statistics were used to assess the status of organisational culture type, strategy operationalisation and performance of the banks while the relationship between these variables was studied using correlation analysis. Further, multiple linear regression and the Baron and Kenny's procedure for mediation were used to respectively test direct effects of culture on performance and the mediation effect of strategy operationalisation on the relationship between organisational culture and performance. The findings were that 64% (R^2 = 0.674, F = 21.894, $p < 0.05$) of variations in banks performance (Return on assets) was explained by the organisational culture. There was also significant mediation of the relationship the between bank culture and performance. Guided missile culture had the most significant influence on performance of banks at $p < 0.001 < 0.05$. Based on these findings, it is recommended that banks develop a culture that is task oriented, and which support organization communication. Further strategy operationalisation should be strengthened because it significantly mediated the relationship n between organisational culture and bank performance.

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ABBFEVIATIONS AND ACRONYMS

ATM	-	Automatic teller machine
BSC	-	Balanced Scorecard
BSD	-	Bank Supervision Department
CP	-	Customer perspective
CBK	-	Central Bank of Kenya
CRBS	-	Credit Reference Bureaus
DCM	-	Dynamic Capability Model
E	-	Eiffel Tower Culture
F	-	Family culture
IP	-	Internal processes
KCB	-	Kenya Commercial Bank
KBA	-	Kenya Bankers' Association
KCB	-	Kenya Commercial Bank
LG	-	Learning and growth
MRPs	-	Money Remittance Providers
NBK	-	National Bank of Kenya
OC	-	organization communication
OPF	-	Organization Policy framework
OP	-	Organization Performance
RBV	-	Resource Based View
SO	-	Strategy operationalisation
SI	-	Strategy Implementation

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

1.1.1 Concept of strategy

Strategy is the direction and scope of an organization, over the long term, which offers advantages for the organization through configuration of resources within changing environments to meet the needs of market and fulfill stakeholder expectations (Johnson &Scholes, 2002). Strategy is a wide plan created as a response to operating environment so as to achieve the objectives of a company (Barnat, 2005). This means that the business environment greatly influences the process of strategy implementation.

According to Pearce& Robin (2011), A Comprehensive assessment of both external and internal environment of a firm in relation to opportunities, threat, weakness and strengths, will guide a firm in adopting most appropriate course of action and strategy that can lead to realisation of long term goals and vision. Implementation of the long-term plan of an enterprise is through plans, projects and programmes, which must be monitored and evaluated regularly to ensure that they guide the firm towards the predetermined direction.

The term strategy is derived from a Greek word ‘’Strategos’’ which means general ship- the art of deploying forces, to defeat an enemy. In business parlance, it refers to long-term plan of action adopted by a firm to achieve a long-term objective and guide the firm in realising its vision as it gains competitive advantage in its industry.

Strategic management is the process of defining the business of an enterprise, setting vision and mission, identifying long- term goals, crafting the strategy, implementing the strategy, controlling and evaluating the strategy. Approaches to strategic management include formal, entrepreneurial, intuitive and anticipality approach. According to Coulter (2010), success of a strategy requires successful strategy implementation. This involves aligning the strategy with the organization's mission and carrying out various activities that constitute the strategy. Organization leadership tends to support strategy formulation more compared to strategy implementation. According to Kaplan and Norton (2001), this could explain why most strategies fail at implementation stage.

Strategic management process is described in four phases that are interactive, depending on business environment; these include environmental analysis, which involve business definition, setting vision, mission, goals and objectives. This is followed by strategy formulation which involves crafting appropriate long term goals and possible strategies for the firm and choosing a particular most suitable strategy to adopt. This phase is followed by strategy implementation, through projects, plans and programmes, resource allocation and budget development. This phase has two crucial parts: strategy operationalisation and strategy execution. Strategy implementation is critical. The final phase is continuous and is the strategy evaluation and control. It is the source of feedback information necessary to make decisions and ensure that the strategy remains on course and relevant.

Strategy implementation involves aligning the new strategy with organization's internal dynamics such as organization culture, management, leadership, resources, technology, organization structure and capabilities that influence the success of strategy implementation.

1.1.2 Concept of Strategy Operationalisation

Strategy implementation is an activity-based process, with each actively contributing to achievement of the mission of the organization (Strickland, 2001). In formulating an organization's strategy both the internal and external environments of the organization should be analyzed to provide input into the strategy formulation. The internal environment comprises of elements such as organization culture, resources, leadership, technology, organization structure, management, strengths and weakness of a firm, competences and capabilities.

External environment comprises of variables such as political factors, economic and social factors, technological, ecological and legal or regulatory factors. Part of external environment is industry or operating environment which is mainly the competition landscape characterized by the Porter's five industry forces, namely effects of new entrants and exits, effects of substitutes, rivalry among all firms and the bargaining power of suppliers and buyers. These make business environments complex, unpredictable, ambiguous, dynamic and multifaceted. Similarly, the prevailing organization culture is one of the most important factors within the internal environment which influences the way other elements in the organization interact, either leading to synergistic effects or discord.

While strategy development is an important activity in an organization, translating the strategic thought into an organizational action presents many challenges. The challenges of strategy implementation are often illustrated by the unsatisfying low success rate (only 10 to 30 percent) of intended strategies (Raps &Kauffman, 2005).

According to Thompson (2007), configuring an internal organization to support a strategic thought constitutes part of strategy operationsalisation. However, Mehdi (2010) explains that successful implementation of a strategy remains one of the greatest managerial challenges. Formulating a consistent strategy is a difficult task for any management team, making that strategy work is even more difficult (Hrebiniak, 2006). Therefore, the operationalization of the strategy describes the interface between the formulation of the strategy and its implementation. It is based on the overall concept, strategic goals, and the essential question about the purpose as well as the financial and regulatory framework. The main focus is placed on strategy-directed action plans (milestones, key performance indicators and targets). With the help of these plans, the effectivity and efficiency of the implementation is ensured in a transparent and straightforward way.

Three important aspects of strategy operationalisation are strategy communication, setting policy framework and translating long term objectives into short term goals. Whittington (2006) postulates that the environment affects the performance of a strategy. According to the Strategy-as-Practice (S-A-P) theory, implementers of strategy shape strategic activities through their values, beliefs and aspirations. Therefore, a contextual factor such as organization culture is an important variable that influence the success of strategy operationalisation by interacting with the strategy implementation phase.

Grant (2008) is of the view that that through implementation, a strategy can be refined and reformulated. Implementation of a strategy, also referred to as strategy execution is an elaborate process. It requires successful operationalisation of the company's strategic plan and aligning the organization with the new activities. Strategy operationalisation is the phase between strategy adoption and aligning the organization with the new strategy. This alignment requires carrying out activities outlined by the new strategy.

Thus, in order to successfully execute a strategy, effective strategy operationalisation, must be in place. This is achieved through development of an appropriate policy framework, translating long-term goals into short-term objectives which are actionable and effective and timely communication of the new strategy across the entire organization so as to manage resistance.

1.1.3 Organization culture

Organization culture is the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaption and internal integration (Schein, 1992). Cameron and Quinn (1985) define culture as the core values, assumptions, interpretations and approaches that characterize an organization. It facilitates communication, teamwork and promotes strategic focus. It creates an organizational identity while promoting a sense of value and commitment among members of the organization. However, static aspects of culture such as enduring attitudes, belief systems, and certain organizational practices tend to pose a challenge against new strategic thoughts (Thompson, 2007). Comerford (1985) argues that maintaining a culture, that positively supports adopted strategy, greatly enhances effectiveness of strategy implementation.

Culture influences people's behavior at workplaces. During strategy implementation, the prevailing culture must be aligned with the intended strategy for a successful strategy implementation. While existing organization culture influences the process of strategy implementation, strategy implementation which comprises strategy communication, policy framework and setting short-term objectives is posited to influence that relationship.

According to Needle (2004), Social-Psychological environment of an organization is greatly influenced by organizational culture, which is made of values and values shared by workers. National culture, organization vision and mission, management ethos and strategy type contribute and influence organization culture. Organization culture emerges, resulting into a complex state that shapes the internal organization (Rosauor, 2013). What happens in the organization is guided by organizational culture; a set of shared assumptions and help to define appropriate behaviour in every situation (Ravasi & Schultz, 2006).

New members of the organization are expected to think, feel and perceive in line with pattern of collective assumptions and behaviors resulting from the organization culture.

New members recruited into an organization bring with them influence of the sociological culture. New norms are established at work place, that in turn influences believes, attitudes and behavior patterns of employees. These constitute the organization culture which influences how groups and individuals in the organization interact among themselves and with other stakeholders, including customers. How firm conducts business is influenced by a set of complex ideologies, shared throughout the firm (Barney, 1986).

According to Ireland, Hitt and Simon (2003), organization culture comprises of shared basic assumptions either invented, discovered or developed by a group as it learns to cope with its problems of external adaptations and internal integration in ways that have worked well enough to be considered valid and therefore can be taught to new members of the group as the correct way to perceive, think and feel in relation to those problems. Healthy organization Culture that supports growth, productivity and efficiency should be encouraged while management eliminates attitudes that lean towards employees' turn over and low productivity. Healthy culture is characterised by high employees' contribution to the organization, diversity acceptance, sense of belonging among employees, employees' growth in the organization, effective organization communication, visionary leadership, great support for creativity and innovation, customers focus, low employee turnover knowledge creative and transfer employees' involvement in decision making and support for high performance.

Organizations associated with adaptive cultures post superior performance compared to those characterized by rigid cultures, (Kotter & Hoskett, 1992). Adaptive organization culture enables an organization to quickly align itself with the changing internal and external business environment. On the other hand rigid cultures are not flexible, and hardly support the organization change.

Managers in such organizations focus on all aspects of the organization, regarding customers' satisfaction, change management and appropriate risk taking levels. Non-adaptive cultures reduce the ability of the firm to take opportunities in the external environment. According to resource based view of a firm, resource position of a firm in relation to external opportunities determine its competitive advantage.

Resources that are rare, inimitable, valuable and non-substitutable will create competitive advantage for a firm. Those resources that are unavailable in a particular industry are described as rare. Resources that cannot be imitated by another organization, for the purpose of strategic advantage are said to ne inimitable. A resource in an organization can be tangible or intangible. Examples of tangible resources are land, buildings, tools equipment and people. Intangible resources include; competences, patent rights and trademarks. A resource is valuable to an organization if it can be utilized to create value for the customer in terms of a product of a service. If an alternative resource that can be utilize by an organization to attain the same advantage is not available, that that particular resource is described as non-substitutable. Social complex resources such as culture, team work and friendship are hard to imitate or substitute and therefore an organization that is endowed with appropriate socially complex resources can attain sustainable competitive advantage.

A socially complex resource such as culture, team work and friendship can lead to sustainable competitive advantage; appropriate culture therefore should be encouraged. (Klein, 2008).

Organization's top managers; the board of directors, executive officers and middle level managers need to know the prevailing culture in their organization, managing any required culture charge and aligning the corporate culture to create competitive advantage for the firm. Understanding the existing culture, will guide managers in identifying culture gaps that may prompt culture change since corporate culture to a large extent influences the internal organization, changing and supporting culture that maximizes resource utilization to achieve high ambitions of the firm is necessary. Such a culture constitute a socially complex resource (Schneider et al., 2013).

Goldman and Casey (2010) examines culture- strategy relationship and argues that organization culture is defined by shared assumption of the corporate mission; therefore organization culture can limit vision realization by affecting strategy implementation process. Organization culture that support strategic thinking will lead to focusing various elements and forces within the organization's internal environment such as resources, management, technology, organization structure and leadership leading to synergistic effect.

Resources are factors within the organization which are necessarily to create value for the customers, and effective running of the enterprise. There are tangible and non-tangible resources. Management refers to all activities of setting the strategy of an organization and coordination efforts of employees to achieve the vision of the company. Organization structure- refers to the framework of the organization, which indicates how responsibilities are shared out and flow of authority in the organization. Technology – how knowledge, competences, tools, equipment and processes are combined to create value for the customers while leadership is how people in the organization are influenced and motivated to achieve the objective of the company. While sociological cultures influence the above parameters from the national and societal perspective, organization culture is more focused on the internal environment of the organization.

Hitt et al. (2013) opine that appropriate culture should encourage creativity and innovativeness in meeting customer expectations.

Entrepreneurial cultures encourage risk taking both at firm and individual levels, which can guide the organization in taking calculated risk that will create competitive advantage for the firm through creativity and innovation. A firm can diversely to new markets, new products while utilizing the existing markets (Lumpkin & Dess, 1996). According to Cameron and Ettington (1988), overall effectiveness in an organization can be greatly improved by reconfiguration of the prevailing culture to be in line with the organization goals. The corporate culture in an organization greatly influences the mindset of employees and this in turn influences the customers' perception of the organization. Organization culture is motivated by the need for national integration, adaptation to the external environment and survival (McNeal, 2009). While internal integration focuses on internal organization; values systems, team boundaries, compensation and motivation, external adaptation focuses on positioning the firm strategically in its industry. The basis of organization culture is shared assumptions and philosophies on which organization's belief systems are grounded. This level supports attitudes which are inclinations to act in a certain way. Norms in the organization are supported by the existing attitudes at work place. Attitudes are expressed through behaviour by which overall culture is visualized. This is manifested through words, symbols or gestures.

Currie and Shepstone (2012) posit that a strategy that is congruent to the company's prevailing culture can lead to improved overall organizational performance. Deal and Kennedy (1982) established that a relationship exists between belief systems within an organization and organization performance. Values and beliefs influence corporate culture. Certain culture types have been found to positively influence strategy performance in a company.

Gordon and DiTomaso (1992) explain that various culture typologies exist in different organizations cutting across industries. Schein (1996) defines organization culture as a pattern of basic assumptions invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that are believed to be valid and can therefore be passed to members as the correct perception in relation to existing problems.

Trompenaar's culture typology. According to Trompenaar (1994), culture typology, four culture types differentiate organizations and each affects strategy implementation and organization performance in a unique way. These culture types are *Incubator* culture, *Guided missile* culture, *Family* culture and *Eiffel tower* cultures which are on (Trompenaar, 1994)' international culture dimensions where the four culture types were identified.

Two dimensions were used in arriving at Trompenaar's classification. The first dimension was *egalitarian versus hierarchical*. This is the degree of power distance between organization members that is presumed to affect the degree of decentralization in an organization. In this scenario, people are basically equal and decision making power is decentralized. People differ in position power and decision making power is centralized, so the leaders decide and tell workers what to do. The second dimension is *people versus task orientation*. Task orientation is assumed to be aligned with a more formal approach to communication while people orientation is more informal in approach.

Based on these two dimensions, namely "egalitarian versus hierarchical", and "people versus task orientation", a 2x2 matrix identifies four culture typologies (Trompenaars, 1994).These culture typologies are the *Incubator culture* which is egalitarian and person oriented and fulfillment- oriented. It is characterized by creativity which is spontaneous relationship emerging from creative processes. People are co-creators. This culture is characterized by management by passion and learning. On the other hand, combination of task orientation and hierarchic orientation leads to *Eiffel tower* culture, characterized by emphasis on hierarchy, job definition and expertise. Further, the combination of hierarchy and person orientation leads to

Family culture in which management is by subjectivity and respect for authority. Position in an organization is highly valued as a source of power. People are seen as family members. Lastly, the combination of task orientation and decentralization leads to *guided missile* culture where strategy is managed by objectives.

Competing values framework. Quinn and Cameron (2006) diagnosed six key cultural systems that exist in organizations; these are organizational leadership, management of employees, organization glue, strategic emphases and criteria of success. Using two dimensions, that is, internal focus and integration versus external focus and differentiation dimension and stability and control versus flexibility and discretion, four types of organization cultures were established in the competing values framework (CVF). These are Clan, Adhocracy, Hierarchy and Market culture. The study found that values and corresponding organizational cultures compete with each other. It established that flexible organizations are the most successful. However they concluded that there is no final best organizational culture, since the nature of business, mission, strategy and operating environment determine the appropriate culture to be encouraged. Other studies have classified culture into four categories *adaptability* culture, *bureaucratic* culture, *entrepreneurial* culture and *mission* culture. Max Weber carried out extensive studies on bureaucratic organizations. In these organizations flexibility is not encouraged while many levels of supervision are embraced in the organizations.

An open organization that continually redefines itself in view of changing business environment can be described by *adaptability culture* (Harrison, 2004). Ann organization where a leader continuously scans the environment for a business opportunity, and is willing to take risk, can be described by *entrepreneurial culture*. The key objective of such a culture is growth (Mintzberg, 1988).

Organizations justify their existence through a mission statement. Mission focuses the efforts of the organization members towards vision realization. Aligning the company strategy with vision of the company enables an effective mission accomplishment. Such an organization can be described by a *mission culture*. David (2003) explains that organization performance can be improved if prevailing culture is put into perspective during implementation of strategies. In this regard, banks must understand the prevailing organization culture typology, and operationalize their strategy accordingly to improve performance.

Banks need to establish which culture type is dominant in the organization, so that it can align its change management accordingly. As the strategy of the organization is operationalised through organization communication, policy framework development and translation of long-term goals into short-term objectives, the dominant culture types must be put into perspective, for effective and efficient running of the organization and successful strategy implementation. This is so since every culture type will require a unique approach.

1.1.4 Performance

Awino, Muturia and Oeba (2012) posit that the performance outcomes of any organization are achieved when strategies are well planned and executed. On execution, it is desirable that the strategy is effectively operationalised. By operationalisation, it is meant that the long term strategic goals are broken down into specific objectives and actions and activities specified under each objective. Further, a policy framework to guide the implementation is formulated and the strategy is effectively communicated to all stakeholders that have role in its implementation.

Various approaches to measuring performance have been suggested in empirical literature. The most widely used approaches are the measure both financial and non-financial. Kaplan and Norton (1996) developed a balanced scorecard framework, which is a strategy management tool that applies both financial and non-financial approaches to measurement of organization performance. The balanced scorecard has four perspectives, namely customer perspective, financial perspective, internal process perspective and learning and growth perspective. These are explained below.

Customer perspective focuses on how the company endeavors to meet customer expectations by creating value to that effect. Customer is expected to be the center of all business decisions. Variables such as quality, price, place, quantity and durability of products as well as time taken to solve customer complaints and ethics aspects are important.

Internal business process perspective focuses on how value is created for the customer. It looks at the process and sub processes, technology applied and value addition. Aspects such as cost of operations and Transaction efficiency are important. Traditional financial perspective concerns how the firm creates wealth for stakeholders. Aspects such profitability and return on assets are measures for this perspective. Learning and growth perspective concerns the general growth of the organization in relation to the employees. How organization acquires knowledge and dissemination of this knowledge, including employees training in various aspects of the organization, Kaplan and Norton (1992) in this research return on asset has been used as a measure of financial performance in banks. According to Lee and Milter (1999), it is a widely used measure.

On customer perspective, customer growth has been used are measure of customer satisfaction. Customers are attracted to those firms that meet their expectations. Customer growth for a firm is an indication of how a firm treats its customers in relation to value propositions. According to Opio (2015, customer convenience is an attribute valued by customers. Kaplan and Norton identify three stages for business process perspective namely; innovation process which focuses on new product and services development, operations process which focus on cost quality and general efficiency of firm in creating value for the customer and satisfaction of other stake holders.

Learning and growth, according to Kaplan & Norton (1996), focus on employees' capabilities, information systems and rewarding. Training employees is necessary in order to equip them with the necessary capabilities to carry out various tasks and subtasks. Number of professional training is used in this study as a measure of performance in relation to learning and growth perspective of a bank. Awino et al. (2012) contend that performance differs from organization to organization depending on how a particular organization puts emphasis on the performance aspects which may be determined by the size of the organization under consideration.

1.1.5 Commercial Bank Strategies in Kenya

Muriuki (2016) found that Porter's generic strategies, namely cost leadership, differentiation and focus were adopted by most of multinational commercial banks in Kenya. This notwithstanding, some banks have still experienced unsatisfactory performance with others such as Chase Bank and Imperial Bank ending up in receivership. Further, strategic alliance was a strategy employed by Barclays bank of

Kenya (Wesulah, 2016). Some commercial banks have adopted differentiation on a broad scope to gain competitive advantage (Ogutu & Nyatichi, 2012).

Wamburu (2017) investigated the effects of firm capability on competitive advantage in the Kenyan banking industry and established that there was a relationship between bank performance and firm capability. Capability of a firm comprises technology, human resource, financial resources and culture among other factors. Culture is one of the firm capabilities that have received less empirical attention, particularly relationship between strategy operationalisation.

1.1.6 Commercial Banks in Kenya

Commercial banks play a fundamental role in social economic development of any country. Banking systems serve as key agents along with the entrepreneurs in the process of economic development. In Kenya, Commercial banks contribute to economic growth through capital creation by accumulation of funds, implementation of modern technology, development of industrial and agricultural sectors and expansion of market and resource utilization among other roles. Commercial Banks are expected to greatly contribute towards realization of vision 2030 in Kenya. They are regulated and supervised by the Central Bank of Kenya.

Kenyan banking sector in Kenya continues to change and the unpredictability of this irregular change makes environment complex. A notable trend of declining profits, losses and several cases of receivership for the last five years has become a concern in the banking sector in Kenya. Recently, there has been a drastic change in government policy in relation to banks. Capping of the interest rate charged to borrowed loans has caused banks to go back to the drawing board and rethink their next course of action. Recent staff layoffs in some of the leading commercial banks, business process reengineering and focus on internationalization are indications of difficult times for banks in Kenya. Internationalization of the business enterprises, increased market integration, agency banking development and mobile money transfer platforms, have caused stiff competition in businesses of all types. Organizations, specifically banks, have to continuously adapt to the fast–changing and often unpredictable business environment, to remain relevant in the market place and earn above average profits. Organizations must formulate, adopt and successfully, implement appropriate strategies in order to achieve both long term and short term objectives (Porter, 1996).Survival in today's dynamic business world of constant change and ever increasing complexity demands greater competitiveness in all aspects of the organization's performance (Groover, 2008).

Increased central bank restrictions on commercial banks such as setting minimum core capital to one Billion, interest caps and global financial crises experienced a couple of years ago continue to make the banking industry environment tough in Kenya. And while this has somewhat affected the performance of banks, there still remain some underlying issues such as strategy implementation that may still affects the performance of banks in Kenya. More specifically; organization communication, policy framework and short-term objective development, and how they mediate the relationship between organization culture and performance

According to the laws of Kenya, a bank is a company which carries out a banking business in Kenya (Banking Act [CAP 488] of all laws of Kenya).The Act further defines bank business as means accepting deposits from members of public, repayable on demand or at the expiry of a fixed period of time. It further expounds banking as acceptance of money on current account and payment and acceptance of cheques and employing money held by lending and investment. The Kenyan banking sector, comprises of the Central Bank of Kenya, as the regulatory authority and 43 banking institutions, eight representative offices of foreign banks, 12 micro finance banks (MFBS) three credit reference bureaus (CRBS), 15 money remittance providers (MRPS) and seven foreign exchange (Forex) bureaus (CBK, 2015).Out of the 43 banks, 40 were privately owned, while the Kenyan government had majority ownership in 3 institutions. 26 of the privately owned institutions are locally owned while 15 are foreign-owned CBK Annual Report, 2015).

Bank Supervision Department (BSD) is responsible for development of legal and regulatory frameworks to foster stability, efficiency and access to financial services. This role is achieved by a continuous review of and reference to the Banking Act, Micro Finance Act, Building Societies Act and regulation of all these institutions. The BSD is also responsible for processing licenses of commercial banks and other institutions in the sector. It ensures that all the institutions in the sector comply with various legal requirements (CBK, 2015). In 2015, Charter House bank was under statutory management while Imperial Commercial bank and Chase bank were in receivership (CBK, 2015) highlighting the business challenges that have affected the banking industry in the country in recent times.

A bank receives deposits from customers consolidate these deposits and lends them as loans. Deposits taking financial institutions are authorized to receive and hold deposits and give them out as loan (Stroup, 2012). This way they play an important role in diffusing central bank money policies in the economy and financial market.
Robert (2011) argues that commercial bank may refer to a division of a large bank that mainly focus on provisions of loan to corporations or large businesses rather than individual clients. Investment banks are different from commercial banks in that investment banks helps to raise capital for another firm through instruments such a bonds, but does not lend money to such institutions (Boland, 2009) normally borrowed money is the main source of funds for commercial banks. Loans provided by the central bank, financial funds and deposits are the other sources of funds.

Credit creation is a significant function of a commercial bank. While ensuring both social and economic stability of a country, banks provide financial services to the members of the public. Credit is created by commercial banks when they open deposits account for a customer. These deposits are of different types; in savings deposits members of the public can deposits money to their account for future use of investments. This can be done at agreed time. Accounts holders can also withdraw this money, from time to time as agreed with the bank. Savings accounts play a critical role in mobilizing savings in the society for economic growth. These deposits earn interest.

Current deposits; these accounts common with business people are characterized by frequents deposits and withdrawals. They earn no interest, or earn very low interest since they must remain in cash form, to enable a withdrawal whenever demand arises from the account holder. Fixed deposits are characterized by a specified period of time. The holders of this account cannot withdraw the deposits before the agreed time is over. Therefore banks can invest this money for a specific period of time. These attract higher interest rates. The other key function of a commercial bank is advancing loans. Since borrowers are charged interests on this money, loans are the major sources of funds for banks. For a secured loan a borrower provides collateral whose value is equal to the borrowed money. These mainly are long term loans met for some productive ventures. Some borrowers may provide personal security, such as salaries. Such loans are said to be unsecured loans. In case of any surplus revenue, bank invests in government securities such as treasury bills and other securities that may be approved. Banks play a role of agent for customers when they carry out certain activities on behalf of the customers. These activities may include collecting dividends for customers' paying insurance premiums and selling shares for customers.

Commercial banks are classified into three peer groups by use of a composite index (a weighted composite index that comprises net assets, customer deposits, capital and reserves, number of deposit accounts and number of loan accounts). A bank with a weighted composite index of five per cent and above is classified as a large bank. A medium bank has a weighted composite index of between one per cent and five per cent while a small bank has a weighted composite index of less than one per cent. A bank that has a composite index of 5% and above is described as a large bank. The index is based on net assets, customer's deposit accounts and number of loan accounts. Banks with a composite index falling between one and five is described as a medium bank while a small bank is one described by a composite index lower than one.

According to a CBK (2015), report, there were seven large banks with a market share of 58.2%, 12 medium banks with a market share 32.42% and 21 small banks with a market share of 9.24%. The number of automatic teller machines decreased by 2.3%. This was driven by need to reduce cost of operation. Further, pre-tax profit for the sector decreased by 5.03 percent CBK (2015) compared to the previous period. This however is contrasted with growth in the total net asset by 9.2 percent supported by the increase in loans and advances. According to CBK (2015), the growth in loans was due to increased loan demand, and customer deposits increased by 8.7 percent.

According to CBK (2015), as at 31st December 2015, the banking sector comprised the Central Bank of Kenya, as the regulatory authority, 43 banking institutions (42 commercial banks and one mortgage finance company), eight representative offices of foreign banks, 12 Microfinance Banks (MFBs), three credit reference bureaus (CRBs), 15 Money Remittance Providers (MRPs) and 80 foreign exchange (forex) bureaus. Out of the 43 banking institutions, 40 were privately owned while the Kenya Government had majority ownership in 3 institutions. Of the 40 privately owned banks, 26 were locally owned (the controlling shareholders are domiciled in Kenya) while 14 were foreign-owned (many having minority shareholding). The 26 locally owned institutions comprised 25 commercial banks and one mortgage financier. Of the 14 foreign-owned institutions, which are all commercial banks, 10 were local subsidiaries of foreign banks while 4 were branches of foreign banks. All licensed microfinance banks, credit reference bureaus, forex bureaus and money remittance providers were privately owned (CBK, 2015).The local public commercial banks remained three in 2015 as in 2014. These banks accounted for 4.5 per cent of total net assets in December 2015 as compared to 5.0 per cent in December 2014. The decrease is attributable to slower growth in assets given capital constraints experienced by the public banks.

There were 24 local private commercial banks in December 2015 as compared to 27 local private banks in December 2014. The decline in the number of local private commercial banks is as a result of liquidation of Dubai Bank and the placement of Imperial bank under receivership. The local private commercial banks accounted for 64.6 per cent of total net assets which was a slight increase from 64.0 per cent in December 2014. The increase was attributable to increased demand for credit thus increasing loans and advances which form the largest proportion of the bank's assets.
The number of bank branches increased from 1,443 in 2014 to 1,523 in 2015, which translated to an increase of 80 branches. The counties that registered the highest increase in number of branches include Nairobi, which registered an increase of 38 branches, Machakos and Mombasa had seven new branches each and Kajiado had six new branches as indicated. A total of 19 out of 47 counties registered an increase in the number of bank branches. This was lower compared to 28 counties who registered increased bank branches in 2014. The slowdown in physical bank branches expansion is partly attributed to the adoption of alternative financial services delivery channels such as mobile banking, internet banking and agency banking (CBK, 2015).

Kenyan commercial banks are classified into three peer groups using a weighted composite index that comprises net assets, customer deposits, capital and reserves, number of deposit accounts and number of loan accounts. A bank with a weighted composite index of five per cent and above is classified as a large bank. A medium bank has a weighted composite index of between one per cent and five per cent while a small bank has a weighted composite index of less than one per cent. For the period ended 31st December 2015, there were seven large banks with a market share of 58.21 per cent, 12 medium banks with a market share of 32.42 per cent and 21 small banks with a market share of 9.24 (CBK, 2015).

As at December 2015, KCB Bank Kenya was the largest commercial bank in Kenya with assets of more than US $ 3.681 billion (KES: 366 billion) and US $ 2.776 billion (KES: 276 billion) in customer deposits. KCB Bank in Kenya roots trace back to July 1896 when its parent company, KCB Group, was formed as a branch of the National Bank of India in Mombasa. In 1958, Grindlays bank merged with the National Bank of India to form the National and Grind lays Bank. Upon independence, the Government of Kenya acquired 60% shareholding in National & Grindlays bank in an effort to bring banking closer to the majority of Kenyans. In 1970, the Government took full control of the Bank and renamed it Kenya Commercial Bank Group. KCB Bank Kenya, as it is now known, was incorporated in 2015 as a result of the corporate restructure of Kenya Commercial Bank Group (KCB Group). Prior to 2015, KCB Group was both a licensed bank and a holding company for its subsidiaries. This was in compliance with the Kenya Finance Act No.57 of 2012.KCB Group Limited announced, in April 2015, its intention to incorporate a new wholly owned subsidiary, KCB Bank Kenya Limited, to which it would transfer its Kenyan banking business, assets and liabilities. The re-organization converted KCB Group into a non-trading holding company that owns both banking and non-banking subsidiary companies. KCB Bank Kenya Limited is a member of the KCB Group of companies. Shares of KCB Group are listened on the Nairobi Stock Exchange (NSE), under the symbol (KCB). The group's stock is also cross listed on the Uganda Securities Exchange (USE), the Rwanda Stock Exchange (RSE) and the De res Salaam Stock Exchange (DSE).As of December 2015, KCB has more than 250 branches throughout Kenya, making it the largest banking network in the country. It has the largest number of own-branded ATMs in Kenya. At that time, it served over 7 million account holders.

Co-operative Bank of Kenya is a commercial bank in Kenya. It is licensed by the Central Bank of Kenya, the central bank and national banking regulator. The bank has introduced Agency banking model as it has the second highest customer base in Kenya.

Bank of Africa Kenya Limited (BOA Kenya), is a commercial bank in Kenya. It is one of the commercial banks licensed by central bank of Kenya, the country's central bank and the national banking regulator. Bank of Africa, Kenya is a mid-tier bank and is ranked 25th out of 43 commercial banks in Kenya by the CBK. The bank provides banking services to corporate, SMEs, investment groups as well as individuals.

Bank of Baroda (BoB) is an Indian state-owned International banking and financial services company headquartered in Vadodara (earlier known as Baroda) in Gujarat, India. It has a corporate office in Mumbai.

Barclays Bank of Kenya is a commercial bank in Kenya and a subsidiary of South Africa-based Absa Group Limited. It is licensed by the Central Bank of Kenya, the central bank and national banking regulator. The headquarters and main branch of the bank are located at Barclays Westend Building, off of Waiyaki Way, in Nairobi, Kenya's capital and largest city.

As at March 2014, Barclays Bank of Kenya was the fifth-largest commercial bank in Kenya, by assets, behind KCB Group, Equity Group Holdings Limited, Cooperative Bank and Standard Chartered Kenya. The bank's history traces from 1916 when the National Bank of South Africa (now First National Bank) opened a branch at Mombasa. In 1925, National Bank of South Africa was merged with the Anglo-Egyptian Bank and the Colonial Bank in 1925 to form Barclays bank (Dominion, Colonial and Overseas). This brought the Kenyan operations under Barclays Bank.

The bank was licensed in its present form in 1953 and in 1978 it was incorporated locally as Barclays Bank of Kenya, a wholly owned subsidiary of Barclays Bank International. The bank listed its shares on the Nairobi Stock Exchange in 1986 through a successful IPO. These shares trade under the symbol: BARC. Before 2013, The bank is a subsidiary of Barclays Bank Plc. (through Barclays Africa), an International financial services conglomerate, whose shares of stock are listed on the London Stock Exchange under the symbol: BARC and on the New York Stock Exchange (NYSE) under the symbol: BCS. In 2013, Barclays Plc adopted the combined strategy to operate as “One Bank in Africa” with an aim of increasing efficiency and boosting returns from the African Units. This led to the merging of all Barclays Plc. businesses in Africa (other than Egypt and Zimbabwe units) through Absa Group Limited, leading to the formation of Barclays Africa Group. The stock of Barclays Africa Group, which owns 68.5% of Barclays Bank of Kenya, is listed on the JSE.

As at December 2016, the bank maintains a network of 121 branches and over 240 ATMs in various locations across Kenya. Stanbic bank is a commercial bank in Kenya. Stanbic was adopted as a trading name in 1992, when the Standard Bank Group, then known as Standard Bank Investment Corporation, acquired the African operations of ANZ Grindlays Bank. The new name was adopted to avoid confusion with the Standard Bank's British former parent bank, Standard Chartered Bank, which continued to operate in Africa.

Standard Bank now trades under the name Stanbic Bank in Botswana, the Democratic Republic of the Congo, Ghana, Kenya, Malawi, Nigeria, South Sudan, Tanzania, Uganda, Zambia and Zimbabwe. The Standard Bank Group also trades as Standard Bank in Namibia, Swaziland, South Africa, Lesotho, Mauritius, Angola and Mozambique. In Madagascar, the group is represented by Union Commercial Bank. In September 2012, Stanbic Bank Tanzania secured financing worth $3 billion for Mchuchuma Iron Ore and Liganga Coal mining project in the Ludewa district of the newly created region of Njombe in southwestern Tanzania.

First Community Bank (FCB) is a commercial bank in Kenya, the largest economy in the East African Community. It is licensed by the Central Bank of Kenya, the central bank and national banking regulator

First Community Bank was established in 2007 according to Sharia law by private Muslim investors in Kuwait, Kenya and Tanzania. The bank received a Kenyan commercial banking license the same year, and started operations in June 2008. The FCB is the first Kenya-based bank to operate according to the laws of Sharia. Since the founding of First Community Bank, another Sharia bank, the Gulf African Bank, has also received a commercial license from the Central Bank of Kenya.

The bank's first subsidiary is FCB Takful Insurance Agency, in which it maintains 100% shareholding. The insurance agency was established in 2010. The bank also owns a second subsidiary, FCB Capital Limited, the first Sharia-compliant Investment Bank in Kenya. It also is wholly owned by First Community Bank. The bank is governed by a seven-person Board of Directors

Giro Commercial Bank (GCB), whose full name was Giro Commercial Bank Limited, was a commercial bank in Kenya it was acquired and absorbed by I&M Holdings in 2017.

On September 7, 2015, I&M Holdings announced the acquisition of Giro Commercial Bank. The acquisition was finalized in March 2017 and the operations of Giro Commercial Bank were merged to that of I&M Bank Kenya. Guardian Bank, whose full name is Guardian Bank Limited, is a commercial bank in Kenya with headquarters in Nairobi. It is licensed by Central Bank of Kenya, the central bank and national banking regulator. As of June 2014, the bank was a medium-sized retail bank. As a result of the changes in the banking laws of Kenya, Euro Finance Limited converted into a commercial bank in 1996 and rebranded to Guardian Bank Limited. In December 1999, the bank merged with Guilders International Bank Limited, keeping its current name, after the merger.

The stock of Guardian Bank is privately held. The detailed shareholding in the bank is not widely publicly known. The bank operates as a subsidiary of Chandaria Industries Limited, a business conglomerate that is also in involved in manufacture of paper, paper products, toilet tissue, facial tissues and other paper derivatives.

Habib Bank AG Zurich is a Swiss multinational commercial based in Zurich, Switzerland. It has its operations in Switzerland and internationally in Canada, Hong

Kong, Kenya, Pakistan, South Africa the United Arab Emirates and the United Kingdom. Habib Bank AG Zurich also has wholly owned subsidiaries in Canada(Habib Canadian Bank), Hong Kong (Habib Bank Zurich (Hong Kong)), Pakistan (Habib Metropolitan Bank), South Africa (HBZ Bank), and the United Kingdom (Habib Bank Zurich plc). The bank is a large financial services provider, with operations spanning four continents. Its operations and subsidiaries in Europe, Asia, Africa and North America provide trade finance, corporate, consumer, private, retail and correspondent banking products. Habib Bank AG Zurich was founded on 25 August 1967 by members of the Pakistani House of Habib business family, founders of Pakistan's first commercial bank Habib Bank Limited (HBL). Following the Pakistani government's nationalization of HBL in 1974, Habib Bank AG Zurich was one of the few banking assets still held by the Habib family.

Habib Bank AG Zurich developed hPLUS, one of the world's first Java banking systems, using Java and Sybase ASE. The bank has been named as a finalist for the 21st Century Achievement Award from the Computerworld Honors Program for its use of information technology in the Finance, Insurance & Real Estate category.

Chase Bank Kenya Limited (CBK), commonly referred to as Chase Bank, was a commercial bank in Kenya, licensed by the Central Bank of Kenya, the central bank and national banking regulator.. In 1995, several business people acquired a 60% stake in United Bank (Kenya), after paying approximately US$1.23 million (Kenya Shillings 95 million). At that time the bank's headquarters were located in the western town of Kisumu, approximately 340 kilometres (210 mi), by road, northwest of Nairobi, Kenya's capital and largest city. During that time, United Bank (Kenya) was in receivership and was under statutory administration by the Central Bank of Kenya, the country's banking regulator. In 1997, a decision was made to relocate the bank's only branch at the time, from Kisumu to Nairobi. Over the years, Chase Bank (Kenya) has progressively improved its bottom line by growing its customer base and increasing its profitability.

On April 7, 2016, Chase Bank was placed under receivership by the Central Bank of Kenya making it the third bank to be placed under receivership in a twelve-month period. This was mainly due under reporting of insider loans and not meeting the statutory banking ratios. Chase Bank re-opened on 27 April 2016 with KCB as the receiver manager.

In April 2016, the bank was put under statutory management by the CBK following what it termed 'unsafe financial conditions'. The liquidity problems that it faced followed social media reports after the resignation of two of its directors. The reports showed that its profits in 2015 fell to Ksh. 742 million from 2.3 billion in 2014. The statements also revealed that non-performing loans had risen from Ksh. 3 billion in 2014 to Ksh. 11 billion. After a closure for two weeks, the bank reopened on 27 April 2016 under management of Kenya Commercial Bank.

In April 2018, the central bank announced that State Bank of Mauritius would be acquiring certain assets and matched liabilities from Chase Bank's. This deal included 75% of deposits, bank staff and branches and merging them with the operations of its Kenyan subsidiary, SBM Kenya. The remaining assets and liabilities were then transferred to Kenya Deposit Insurance Corporation for liquidation.

African Banking Corporation Limited, (ABC Bank Kenya) is an indigenous Kenyan commercial bank, established in 1984. It has since been using the power of finance to support businesses and projects that benefit the people and the planet. It is licensed and regulated by the Central Bank of Kenya (CBK). ABC Bank offers financial solutions to corporations, medium-sized businesses, SACCOs, institutions, small business enterprises as well as individuals. In March 2017, ABC acquired the LEI certification from the London Stock Exchange.

ABC Bank was started in 1981, as a financial institution named Consolidated Finance Company Limited. By 1994, Consolidated Finance Company Limited had become one of the key Financial Institutions in the country. Following the gazettement of a legislation allowing financial institutions to convert into banks, Consolidated Finance Company immediately transformed, giving rise to African Banking Corporation Limited (ABC Bank) in 1995.

I&M Bank Limited, is a commercial bank in Kenya, the largest economy in the East African Community. It is licensed by the Central Bank of Kenya, the central bank and national banking regulator. The bank traces its history to 1974 when Investments & Mortgages Limited was formed as a private company providing personalised financial services to business people in the Nairobi area. In 1980, I&M, as the company was known at that time, was registered as a Financial Institution under the Banking Act. Following changes in the regulations of the Central Bank of Kenya, the banking regulator in the country, I&M became a commercial bank in 1996.

In 2002, the present headquarters building, a 16-storey glass and steel skyscraper known as the I&M Bank Tower, was opened on Kenyatta Avenue, in Nairobi's central business district. The following year, I&M Bank acquired Biashara Bank of Kenya Limited, expanding I&M's branch network, client base and assets under management.

In 2008, I&M Bank acquired a 50 percent ownership in First City Bank Limited (FCB) of Mauritius. FCB has since rebranded itself as Bank One Mauritius. In 2010, I&M Bank acquired a controlling shareholding in CF Union Bank of Tanzania. CF Union Bank has since rebranded into I&M Bank (Tanzania). In 2013, I&M Bank created I&M Holdings Limited, as the holding company of all the group's businesses and subsidiaries. The holding company's shares of stock are listed and publicly traded on the Nairobi Securities Exchange, under the symbol I&M.

In September 2015, I&M Holdings began the process of acquiring Giro Commercial Bank and the merging of its business with that of I&M Bank Limited. The process, which required regulatory approval, was concluded in February 2017, with Giro Commercial Bank surrendering its banking license and becoming part of I&M Bank Kenya.

Bora Bank (JBB) is a commercial bank in Kenya. It is one of the commercial banks licensed by the Central Bank of Kenya, the national banking regulator. The bank was founded, as a Charitable Trust. In March 2010, it merged with another financial institution with a banking license and transformed into a fully-fledged commercial bank. In March 2010, Jamii Bora merged with City Finance Bank (CFB), a small private financial services provider which, in the past, had provided services to large corporations and high-net-worth individuals. In the merger, CFB acquired JBB and took on the name of its new acquisition. Other investors in the bank include Baraka Africa Fund (BAF), and other individual investors.

Sidian Bank is a commercial bank in Kenya. The headquarters of Sidian Bank are located at K-Rep Centre, on Wood Avenue, in Kilimani, a neighborhood in Nairobi, the capital and largest city in Kenya The bank is a medium-sized financial services provider, serving the urban and rural poor and small-to-medium business enterprises in Kenya.

The name Sidian is derived from Obsidian, an extrusive igneous rock. In the beginning, the organization provided grants and technical assistance to non-governmental organizations (NGO). The NGOs then made loans to micro-enterprises. In 1989, K-Rep changed its strategy to lending to the NGOs. The technical assistance that had been provided for free now attracted a fee. In 2015, Centum Investment Company completed its acquisition of a majority stake in the bank. The bank later changed its name from K-Rep Bank to Sidian Bank in April 2016. On 4 April 2016, K-Rep bank re-branded as Sidian Bank, to reflect the majority shareholding by Centum Investments Limited. As at 31 December 2016, the major shareholders in the bank stock included the following: Middle East Bank Kenya (MEBK) is a commercial bank in Kenya. It is licensed by the Central Bank of Kenya (CBK), the central bank and national banking regulator.

The bank is a small retail bank that focuses on meeting the needs of large corporations and high-net-worth individuals. As of December 2013, the bank was ranked number 41, by assets, out of a total of 43 commercial banks in Kenya. Middle East Bank Kenya started operations in Kenya in August 1981, after receiving a banking license from the Central Bank of Kenya, the national banking regulator. The initial shareholders in the bank were the Al-Futtaim Group, affiliated with the Middle East Bank Group of United Arab Emirates. In 1991, the Al-Futtaim Group divested from the bank, leaving shareholding in Kenyan hands. In 1995, *Banque Belgolaise*, a Belgian financial institution acquired 25% shareholding in Middle East Bank Kenya, becoming the single largest shareholder. As a result of multiple bank mergers and acquisitions, that 25% shareholding subsequently came to be owned by BNP Paribas Fortis. 75% shareholding remains in private Kenyan hands.

The shares of stock of Meddle East Bank Kenya are privately held. The largest single shareholder, with 25% shareholding, is BNP Paribas Fortis, a Belgian financial services provider that is a subsidiary of BNP Paribas, a French banking conglomerate that is the largest banking group in the world.

National Bank of Kenya (NBK), also known as National Bank, is a commercial bank in Kenya, the largest economy in the East African Community. It is licensed by the Central Bank of Kenya, the central bank, and national banking regulator. NBK is a large financial services provider in Kenya, serving individuals, small-to-medium companies and businesses (SMEs) and large corporations. Headquartered in Nairobi, the bank owns one subsidiary company: NatBank Trustee and Investment Services Limited. The bank was established in 1968 as a 100% government-owned financial institution. In 1994, the Kenyan Government reduced its shareholding to 68% by selling 32% shareholding to the public. The government further divested from NBK over the years, until its present shareholding of 22.5%, as of August 2014. Following 12 years of poor financial performance, the bank became profitable again in 2010, paying out an annual dividend ever since.

In 2016, Oriental Commercial Bank was officially re-branded to M Oriental Bank Limited, after the Central Bank of Kenya gave approval to M Holdings Limited to acquire majority shares. M Holdings Limited, a Kenyan owned and registered company subsequently opted to acquire only 33.8 percent. The bank is governed by a six-person board of directors.

Commercial bank of Arica (CBA) is a financial services provider headquartered in Nairobi, Kenya, the largest economy in the East Africa Community. CBA is licensed by the Central Bank of Kenya, the central bank and national banking regulator.

The bank was found in 1962 in Dar es Salaam, Tanzania. Soon, branches were opened in Nairobi & Mombasa, Kenya and in Kampala, Uganda. When Tanzania nationalised private banks in 1967, the bank moved its headquarters to Nairobi. Following political changes in Uganda in 1971, the bank sold its assets in that country. At the beginning, CBA was owned by a consortium of financial institutions known as *societefinanciere pour les pays d'Outre-mer* (SFOM), based in Switzerland. Original members of the consortium included Banque national de Paris, Bank Bruxelles Lambert, commerzbank, and bank of Africa. In 1980, Bank of Africa acquired 84% shareholding, effectively buying out all the SFOM partners. Sixteen per cent shareholding in CBA remained in the hands of Kenyan investors. During the 1980s Bank of Africa divested from the bank, putting 100% shareholding in CBA in the hands of Kenyan nationals.

Consolidated Bank of Kenya commonly known as Consolidated Bank is a commercial bank in Nairobi, Kenya, East Africa's largest economy. It is licensed by the Central Bank of Kenya, the central bank and national banking regulator.

Consolidated bank is medium-sized financial provider in Kenya, focusing on meeting the banking needs of small and medium-sized enterprises (SME'S) in the country; the bank was incorporated in 1989, as a result of the merger of the following nine insolvent financial institutions. Jimba credit Corporation limited, Union Bank of Kenya Limited, Kenya Savings and Mortgages Limited, Estate Finance Company of

Kenya Limited, Estate Building Society Nationwide Finance Company Limited, Home savings and Mortgages Limited.

Consolidated bank aims to meet the banking needs of both individuals and institutions. In the beginning, the institution was limited to collecting the debts of the failed legacy financial institutions. However, the central bank of Kenya, issued CBOK with a full commercial banking license in 2001.With decades of banking experience and a special focus on SMEs, it is in a strong position to help growing business unlock their potential and sail through the complexities they may face. End to end banking services include: current account, saving accounts, fixed and call deposits, loan and overdraft facilities, local and overseas money transfer services, and local and international trade finance. The bank is also active on the local inter-bank money market.

Credit Bank Limited (CBL), commonly referred to as Credit Bank, is a commercial bank in Kenya, the largest economy in the East Africa Community. It is licensed by the Central Bank of Kenya, the central bank and national banking regulator.

The bank is medium-sized commercial bank in Kenya, East Africa’s economy. Prior to 2010, the bank’s focus was large corporations and upscale businesspeople. In September 2010, Credit bank changed strategy and transformed into a retail bank, serving all segments of society and their business. The bank was founded in 1986, as a non-bank financial institution (NBFI); Credit Kenya Limited. In 1995, the institution was awarded a commercial banking licensed and it rebranded to Credit Bank Limited. As at January 2016, the shares of stock of Credit Bank are privately owned by corporate and individual investors, including the following. In January

2016, Fountain Enterprises programme Group(FEP) announced plans to acquire a controlling 75 % stake in Credit Bank.

Development bank of Kenya (DBK) is a commercial bank in Kenya, the largest economy in the East African Community. It is licensed by the Central Bank of Kenya, the central bank and national banking regulator. DBK is medium-sized financial institution providing an anay of financial services to both individuals and businesses. Development bank of Kenya was established in 1963 as a non-banking financial institution. Its primary focus at that time was to promote and develop commercially viable projects in Kenya. In 1964, DBK began financing development projects as a Development Finance Institution (DFI). As part of the banking reforms of 1996, DBK converted to a commercial bank and began accepting customer deposits.
Shareholding in DBK at its inception included (a) the Government of Kenya, through the Industrial and commercial Development Corporation (ICDC), (b) the British Government, through Commercial Development Corporation (CDC) and (c) the Government of Germany, through the German Investment Corporation (DEG). In 1967, the Dutch Government, through the Netherlands Development Finance Company (FMO), became the fourth shareholder. In 1981, the World Bank, through the International Finance Corporation (IFC) became the bank and shareholding in DBK. As of August 2014, the bank maintains its headquarters in Nairobi, Kenya’s capital and largest city. It has one branch on the ground floor of its headquarters building.

Diamond trust group (DBT Group) is a major banking group in East Africa; it is active in Burundi, Kenya, Tanzania, and Uganda. The flagship company of the group, Diamond Trust bank Kenya, is licensed by the Central Bank of Kenya, the central bank and national banking regulator in Kenya. Kenya is the largest economy in the East Africa Community. DBT Group's main offices are located at Diamond Trust bank Centre (DTBC), along Mombasa Road, in Nairobi, Kenya. The flagship of DBT group is Diamond Trust Bank (Kenya), which was founded in 1946. As of December 2013, the group is ranked the eighth largest commercial bank, by assets, out of 43 licensed banks in Kenya. The group works in collaboration with the Habib Bank of the Aga Khan Fund for Economic Development and the international Finance Corporation of the World Bank. In July 2017, the Diamond Trust Bank Group acquired 100% ownership of the former ''Habib Bank Kenya''. The new acquisition merged with Diamond Trust Bank Kenya, effective 1 August 2017.

Dubai Bank Kenya (DBK), whose complete name is Dubai Bank Kenya Limited, but is often referred to as Dubai Bank, was a commercial bank in Kenya. It was licensed by the Central bank, the central bank and national banking regulator. The institution is not affiliated with Dubai bank of United Arab Emirates or with that bank's parent company, Dubai Banking Group.

DBK was a small bank in Kenya, east Africa's largest economy. The bank was established in 1982, originally as branch of bank of Oman. In August 2015, the bank was placed under receivership by the central Bank of Kenya. The assets and liabilities of the bank were subsequently acquired by Mashreq Bank PLC. In 2000, those assets and liabilities were acquired by the present shareholders, who rebranded the institution to Dubai Bank Kenya Limited.

On August 14, 2015, Dubai Bank was placed under statutory management by the Central bank of Kenya for a period of one year with Kenya Deposit insurance Corporation (KDIC) as the receiver manager. The bank had been experiencing liquidity and capital deficiencies and breaching its daily cash reserve ratio. These factors raised concern on whether the bank would be able to meet its financial obligations. KDIC's report to the CBK on August 24, 2015 showed that there was no way to save the troubled bank and recommended that the bank be liquidated.

Ecobank Kenya is a commercial bank in Kenya. It is one of the commercial banks licensed by the central bank of Kenya, the central bank and banking regulator. On 6^{th}June 2008, Ecobank Transnational Incorporated (ETI) acquired 75 % of EABS bank, which had been licensed in 2005. The bank changed its name to Ecobank Kenya Limited, to reflect the new shareholding.

Ecobank Kenya is a member of Ecobank Transnational, the leading independent pan-African bank, headquartered in Lome, Togo with affiliates in West Africa, Central Africa, East Africa and southern Africa. Ecobank, which was established in 1985, has grown to a network of over 600 branches, employing over 10,000 people, with offices in 33 counties including Benin, Burkina Faso, Burundi, Cameroon ,Cape Verde, Central African republic, Chad, republic of Congo, Democratic Republic of Congo ,Equatorial Guinea, France, Gabon, Ghana, Guinea, Guinea Bissau, Ivory Coast, Kenya, Liberia, Malawi, Mali, Niger, Nigeria, Rwanda, Sao Tome, Senegal, Sierra Leone, South Sudan, Tanzania, The Gambia, Togo, Uganda, Zambia and Zimbabwe. As of July 2017, the bank maintains 21 networked branches in Kenya. In October 2016, Ecobank Kenya notified the public and its customers of its plan to close nine of its twenty-nine branches, to reduce the number to 20, by end of April 2017.

Spire bank, formerly known as Equatorial Commercial bank (ECB), is a commercial bank in Kenya, the largest economy in the east African Community. It is licensed by the Central bank of Kenya, the central bank and national banking regulator.

The bank is a medium-sized financial institution in Kenya, serving corporate clients, small and medium enterprises and individuals. At that time, the bank was ranked number 27, by assets, out of 43 banks licensed in Kenya. The company has a 20% investment in Equatorial Investment bank Limited and 23.86% in fidelity insurance Company Limited which have been accounted for as associate companies in the consolidated financial statements.

Established as an Equatorial Finance Company in 1983, Due to change in regulation, Equatorial Finance Company was converted to Equatorial Commercial bank limited and commenced operations as fully-fledged commercial bank in June 1995.In June 2010, Equatorial commercial bank (ECB) merged with southern Credit banking Corporation (SCBC), creating a new enlarged bank under the Equatorial Commercial bank brand. The merger was aimed at enabling the banks meet the Central bank of Kenya requirement for commercial banks shore up their core capital to at least KES: 1 billion.

The Equatorial Commercial bank- Southern Credit banking Corporation was structured in the following four interlinked phases: The merger transaction consideration was entirely satisfied by the issue of shares and there was no cash transaction. In September 2014,mwalimu Cooperative savings & Credit Society Limited, Kenya's Largest Sacco by assets, made a bid to acquire 51% shareholding in Equatorial Commercial bank in a deal valued at Ksh 17 billion. This move was in line with the strategic objective of the society of expanding business opportunities. The acquisition was to enable the Sacco to collect deposits from beyond its membership, access funds at lower rates, venture into trade finance and offer its members ATM services. The deal was concluded at the end of 2014 and in 2015, the Sacco acquired another 24% shareholding, bringing its ownership to 75%. In July 2016, the bank was rebranded to Sire bank.

Equity bank Kenya Limited is a financial services provider headquartered in Nairobi, Kenya. It is licensed as a commercial bank, by the Central Bank of Kenya, the central bank and national banking regulator. In 2010 the entity introduced Agency banking model which has proved a success and still regulated by Central of Kenya Prudential guidelines. Equity Bank Kenya Limited was incorporated in 2014 as a result of the corporate restructure of Equity Group Holdings Limited. Prior to November 2014, Equity Group Holdings limited operated both as a licensed bank and a holding company for its subsidiaries.

On 31 October 2014, Equity Bank announced its intention to incorporate a new wholly owned subsidiary, Equity bank Kenya Limited, to which it would transfer its Kenyan banking business, assets and liabilities. The rationale for the re-organisation is that by converting Equity Group Holding Limited into a non-trading holding company (as defined under the banking Act) that owns both banking and non-banking subsidiary companies and provides strategic, brand, risk and talent management to its subsidiaries, the Group will be better placed to invest and to develop the existing and new businesses as part of its third phase of growth and transformation.

During an extraordinary shareholders general meeting held on 24 November 2014, it was resolved to adopt the proposed restructure thus leading to the formation of Equity bank Kenya Limited.

Equity is a wholly owned subsidiary of Equity Group Holding Limited, making it a member of the Equity Group Holdings Limited. The Equity Bank Kenya Limited's parent company, the Equity Group Holdings Limited, has a customer base in excess of 9.2 million in the six East Africa countries that it services, making it the largest commercial bank on the African continent, by customer numbers. Shares of the stock of Equity Group Holdings Limited, the parent company of Equity bank, are listed on the Nairobi Securities Exchange (NSE), under the symbol EQTY. The Group's stock is also cross-listed on the Uganda Securities Exchange (USE), under the symbol EBL, Equity Bank maintains a network of 173 branches across Kenya, which includes 38 branches in Nairobi.

Family bank Limited (FBL), commonly known as Family bank, is a commercial bank in Kenya, the largest economy in the East African Community. It is licensed by the Central Bank of Kenya, the central bank and national banking regulator. Family bank is medium-sized commercial bank in Kenya. It is the fifth-largest bank by branch network. As of June 2016, the bank had 93 branches in Kenya and a customer base of over 1.8 million. It was founded in 1984 as family finance society limited (FFBSL).

Housing Finance Company of Kenya (HFCK) whose official name is Housing Finance Company limited (HFC Limited), but is commonly referred to as Housing Finance, is a mortgage finance provider in Kenya. The company is the only mortgage company regulated by the Central bank of Kenya, the central bank and national banking regulator. Housing finance limited is large mortgage finance company, serving needs of the Kenyan population Shares of the stock of the holding company of this mortgage bank (Housing Finance Group of Kenya), are listed on the Nairobi Stock Exchange (NSE), where they trade under the symbol HFCK.

The company was established in November 1965, to promote a savings culture and home ownership among the citizens of newly independent Kenya. Major investors in the company included the Commonwealth Development Corporation (CDC), whose

shareholding at one time was as high as 60% and the Government of Kenya, which at one time owned 505 of the company. CDC has since divested from Housing Finance Limited and the Kenyan Government has substantially reduced its shareholding.
In 1992 Housing Finance Company of Kenya became listed on the Nairobi Stock Exchange, where it trades under the symbol HFCK. The company adopted the shorter name of Housing Finance Limited, in 2002. In 2010, the Central Bank of Kenya authorized HFL to issue and operate checking accounts; having been authorized to issue and operate savings accounts in the past.

On June 30, 2014, British-African Investments Company (the second largest shareholder in HFCK) served the housing Finances' board with a takeover notice to acquire Equity group Holdings Limited's 24.76% shareholding in mortgage financier. A move that would increase Britam's stake to 46.08% and see Equity Group Holdings Limited end its seven-year investments in Housing Finance. Housing Finance Company of Kenya is a wholly owned subsidiary of Housing Finance Group Limited, a non-operating holding company, whose shares trade on the Nairobi Stock Exchange. NIC Bank, whose full name is national Industrial Credit Bank**,** is a commercial bank in Kenya. It is licensed by the Central Bank of Kenya, the country's central bank and national banking regulator. The NIC Bank is a large financial services provider in East Africa .Headquartered in Nairobi, Kenya, the bank owns subsidiary companies in Kenya, Uganda and controlling interest (51% shareholding),in NIC Bank Tanzania, a commercial bank in neighbouring Tanzania.

The bank was founded in 1969 as a joint venture by standard Bank limited and Mercantile Credit Company Limited, both headquartered in South Africa and the United Kingdom respectively, NIC was initially a non-bank financial institution

(NBFI).In 1971,NIC became a public company, by listing on the Nairobi Stock exchange, where it still trades today under the symbol; NNIC. In 1995, the central Bank of Kenya required all NBFIs in the country to either convert to fully fledged commercial banks or close shop. NIC applied for and was granted a banking license that same year. In 1997, NIC Bank merged with African Mercantile Bank Limited (AM Bank), a Kenyan financial institution.

In May 2009, NIC Bank acquired a 51% shareholding interest in Savings and Finance Commercial Bank, a small Tanzanian retail bank with approximately US$5 million in shareholder’s equity at the time. Savings and Finance Commercial Bank rebranded to NIC Bank Tanzania, in keeping with the new shareholding structure

On 21 June 2016, the central Bank of Kenya appointed NIC Bank as asset and liabilities consultant for Imperial Bank limited (in receivership).Effectively, NIC Bank took over the responsibility of returning funds to the failed bank’s deposit customers. The agreement also allows NIC to acquire some of the deposits, assets and liabilities of imperial once its receiver manager the Kenya Deposits Insurance Corporation starts liquidating the bank. The 28 branches and all 470 former employees of Imperial Bank will be taken over by NIC Bank. As at January 2018, NIC Bank had over 41 branches in Kenya. NIC Bank’s partnership with the Kenya Post Office Savings Bank enabled the provision of cash collection services for its customers through Post bank’s network of 1994 branches in Kenya. The activities of NIC Bank are directed by eleven boards of directors. The managing director is assisted by seven and 10 other senior officers in supervising the day to day activities of the bank.

Paramount Universal Bank was established in 1993, as a deposit –taking, non-bank financial institution called Combined Finance Limited. In 1995, after increasing its share capital and following the issuance of a commercial banking license, the company rebranded to Paramount Bank Limited, and began banking operations. In 2000, Paramount Bank merged with Universal Bank Limited to form Paramount Universal Bank. Prime Bank Kenya (PBKL) is a commercial bank in Kenya, licensed and supervised by the Central Bank of Kenya (CBK), the central bank and national banking regulator.

The bank is a mid-sized retail bank that caters to both individuals and corporate clients. The bank has three subsidiaries, the first one is Prime Capital & Credit Limited (PCCL)-based in Nairobi, Kenya is owned 100% by Prime bank (Kenya) while the second one is the First Merchant Bank - a retail bank based in Blantyre, Malawi-Prime Bank (Kenya) has a 22.48% in the first Merchant Bank.11.24% is held directly by PBKL while the remaining 11.24% is held through its 100% subsidiary, PCCL. The third subsidiary is the Capital bank - a commercial bank based in Gaborone, Botswana is 51% owned by First Merchant Bank of Malawi, in which Prime bank (Kenya) has 22.48% shareholding. Therefore, Prime Bank (Kenya) owns 11.46% of Capital Bank of Botswana. As at July 2018, the bank maintained a network of more than 20 interconnected branches in Kenya‘s major urban centres. The stock of the bank is privately held. The detailed shareholding in Prime Bank (Kenya) is not publicly known. Standard Chartered Kenya, whose official name is Standard Chartered Bank Kenya Limited, but is sometimes referred to as Stan chart Kenya, and it is a commercial bank in Kenya .It is a subsidiary of the British multinational financial conglomerate headquartered in London, United Kingdom, known as

Standard Chartered. Stan chart is one of the banks licensed by the Central Bank of Kenya. Kenya is the largest economy in the East African Community.

Standard Chartered Kenya is a large financial services provider in Kenya. At that time, standard Chartered Kenya was the 4^{th} largest bank, by assets out of the 43 licensed banks in the country. According to website of the Central Bank of Kenya, the standard Bank of British South Africa received its commercial banking license in 1910 to start banking operations in British East Africa .In January 1911; it opened its first two branches, one in national capital, Nairobi, and another in the port city of Mombasa.

In 1969,bank’s name was changed to Standard Chartered Bank of Kenya when the parent company , the standard Bank of South Africa, merged with the Chartered Bank of India, Australia and China forming the Standard Chartered Bank. In 1987, Standard Chartered sold all its shareholding in Standard Bank of South Africa, entirely divesting from the group. The stock of Standard Chartered Kenya was listed on the listed on the Nairobi Securities Exchange (NSE) in 1989, offering 21 million shares to the public. This was the largest single placing at the NSE at that time. As of August 2014, the bank had a network of 34 branches, 90 Automated Teller Machines (ATMS) and nearly 1,700 employees.

In 2006, Standard Chartered Kenya was listed on the acquired 25% shareholding in First Africa Capital, a financial services advisory company with headquarters in Nairobi and offices in London and Johannesburg.

Transnational Bank (TNB) was established as a non-bank financial institution (NBFI) in 1984, under the name Transnational Finance Company (TNFC).TNFC provided loans, lease-purchase arrangements to depositors and non-depositors. In 1985,following the issuance of a commercial banking license by the Central Bank of Kenya, the national banking regulator, the company began banking operations under its current name in Nairobi and Mombasa. At first other locations in the country continued to operate as TNFC offices. Between 1985 and 1996, all TNFC activities were merged with TNB and the TNFC brand was closed. The bank has one subsidiary; TNB Forex Bureau, located at Moi International Airport in Mombasa .The bank is also affiliated with western Union ,the American International money – transfer service. In 2009, TNB introduced Internet banking and mobile banking through mobile telephones.

The bank is a medium-sized commercial bank in Kenya, East Africa’s largest economy. The bank maintained 17 networked branches in Kenya, as of December 2013.The shares of stock of Transnational Bank are privately held by Kenyan institutions and individuals.

United Bank for Africa (Kenya) Limited (UBAKL), commonly referred to as UBA Kenya, is a commercial bank in Kenya. It is licensed and supervised by the Central Bank of Kenya, the central bank and national banking regulator. The bank is a small-sized commercial bank in Kenya, the largest economy in the East African Community. UBA Kenya Limited is a subsidiary of the Nigerian financial conglomerate United Bank for Africa, with subsidiaries in 20 African countries, the United States, the United Kingdom and France. Established in 2009 UBA Kenya made a profit for the first time during the first half of 2016.United Bank for Africa (Kenya) is a wholly owned subsidiary of United Bank for Africa, headquartered in Lagos, Nigeria.

Further, the Victoria Commercial Bank (VCB) is a private bank in Kenya. It is licensed as a commercial bank, by the central Bank of Kenya, the Central Bank and national banking regulator. The bank maintains three offices in Nairobi, Kenya's capital. The main branch is located at Victoria Towers, in the upscale neighborhood of Upper Hill, 3 km (2 mi) southwest of the central business district of Nairobi, Kenya's capital city. Victoria Commercial Bank was established in1987 as Victoria Finance Company, a non-bank finance institution (NBFI). In 1996, following the issuance of a banking Licensed by the Central Bank of Kenya, the company rebranded to Victoria Commercial bank.

The bank is a Tier III private bank in Kenya, East Africa's largest economy. VCB focuses on serving large corporation and high-net-worth clients. The bank also offers personal banking services to the employees of its corporate clients. Later, it began making loans to qualifying small and medium enterprises (SMEs) As of July 2016, Victoria Commercial Bank maintains three branches in the city of Nairobi Kenya.

According to CBK (2015), the banking sector registered declined performance in 2015 with profit before tax decreasing by 5.03 per cent from Ksh. 141.1 billion in December 2014 to Ksh. 134.0 billion in December 2015. The decline in profitability in 2015 could be explained by faster growth in expenses compared to the growth in income. The banks income increased by 9.1 per cent in the period ended December 2015 but expenses increased by a higher margin of 16.3 per cent over the same period. The banks income declined as a result of slower growth in credit in 2015, which grew by 11.6 per cent compared to 22.9 per cent in 2014. However, the lower growth in credit was neutralized by increasing yields on earning assets and advances in 2015. Yield on earning assets increased to 12.7 per cent in 2015 from 11.9 per cent in 2014 while yield on advances increased from 12.8 per cent in 2014 to 13.1 per cent in 2015 (CBK,2015).

In Kenyan Bank industry, growth and differentiation strategies are dominantly adopted by Banks, though given the recent changes in regulatory frameworks especially the capping of interest rates, banks might need to lay emphasis on cost leadership, innovation, business process reengineering, organisation structure configuration and organization culture shift in order to sustain high performance.

1.2 Statement of the problem

There has been a drastic change in government policy in relation to banks. Capping of interest rates charged on borrowed loans which has caused banks to go back to the drawing board and rethink their next strategy. Recent layoffs of staff in some of the leading commercial banks, business process reengineering and focus on internationalization are indications of difficult times for banks in Kenya.

For banks to survive, improve performance and become competitive in this environment, they must design, adopt and successfully implement appropriate strategies. Successful implementation of strategies remains a challenging task to organizations. Strategies are important because they guide the organization towards achieving the set objectives, thus gaining and sustaining competitive advantage. However, those objectives can only be achieved if strategies are successfully implemented (Davenport, 2007).

Wamburu (2017) investigated the effects of firm capability on competitive advantage in the Kenyan banking industry and established that there was a relationship between bank performance and firm capability. Capability of a firm comprises technology, human resource, financial resources and culture among other factors. Culture is one of the firm capabilities that have received less empirical attention, particularly its relationship with strategy operationalisation and performance.

According to a study by Muchira (2013), there is a strong relationship between organization performance and strategy implementation; however, most strategies fail at the implementation stage. Allio (2005) states that 57% of firms, poorly implement strategies, while Kenya Bankers' Association (KBA) conclude that as much as 37% of formulated strategies in banks never achieve their predetermined objectives (KBA, 2012). A study by Miller (2002) concludes that majority of firms extensively fail to implement their intended strategies. Beer and Nohria (2000) have noted that up to 70% of strategic initiatives fail to achieve predetermined objective due to poor implementation. Although Candido and Santos (2015) argue that reported failure of strategy implementation widely varies, (Mankin and Steele, 2005) conclude that only 63% success is achieved in relation to strategy implementation.

Organization culture is an important element of strategy implementation. According to Cremer (1993), organization culture is knowledge shared by members of an organization, and enables delegation by providing a common language. According to Buul (2010), focusing on the prevailing culture is an integral part of strategy implementation. Trompenaar's' (1994) model provides an insight of various culture typologies that exist in organizations. Due to complexity of banks, it is challenging to develop a uniform culture that guides the actions of employees However, the banks should strive to encourage a culture that supports effective implementation of their strategy which would ultimately lead to satisfactory performance.

Implementation of a strategy can prove to be a daunting task in a highly competitive environment such as the banking sector. The delicate act of strategy implementation involves navigating existing cultures in a way that ensures strategy is successfully implemented leading to high performance. This notwithstanding, the concept of strategy implementation in terms of organization communication, translation of goals into short term objectives and policy development has not been given sufficient attention in strategy implementation literature.

Several studies have been carried out in relation to strategy implementation by banks.

In summary, most studies have examined the relationship between culture and performance however, there is scarce empirical studies reported on how strategy implementation mediates the relationship between culture and performance of organizations specifically commercial banks in Kenya. This study seeks to bridge this gap.

Consistent with empirical literature, the researcher hypothesized that strategy implementation mediates the relationship between existing organization culture and organization performance. The main research question (RQ1) is: *Could low success rate of strategy implementation (as reflected in performance) be linked to poor strategy implementation in the context of existing corporate cultures?* The other two (secondary) questions are: *what culture type best predicts performance of commercial banks in Kenya?* (RQ2); and *Does strategy implementation mediate the relationship between culture type and performance of commercial banks in Kenya*? (RQ3).By adapting Trompenaar (1994) culture typology framework, the researcher sought to establish how strategy implementation affects organization performance in the context of existing organization culture with the aim of providing a model that can advise managers on strategy implementation and improve performance.

1.3 Objectives of the study

The general and specific objectives of the study were as follows:

1.3.1 General objective

The general objective of the study was to establish the mediating effect of strategy implementation on the relationship between culture and performance of commercial banks in Kenya.

1.3.2 Specific objectives

Based on the broad objective, the five specific objectives of the study were:-

(i) To determine the effect of family culture on performance of commercial banks in Kenya.

(ii) To ascertain the effects of Eiffel culture on performance of commercial banks in Kenya.

(iii) To examine the effects of guided missile culture on performance of commercial banks in Kenya.

(iv) To establish the effects of incubator culture on performance of commercial banks in Kenya

(v) To examine the mediating effect of strategy implementation on the relationship between organization culture and performance of commercial banks in Kenya.

1.4 Hypotheses of the study

H1: There is no statistically significant relationship between family culture and performance of Commercial banks in Kenya.

Family culture practice was tested by use of three dimensions which are; person-orientation, hierarchical order in the organization and level of decision centralization.

H2: There is no statistically significant relationship between Eiffel Tower Culture and performance of Commercial banks in Kenya.

Eiffel tower culture practice in banks was tested using three characteristic. These are; high levels of supervision, responsibility definition and tolerance to personal relationships.

H3: There is no statistically significant relationship between guided missile culture and performance of Commercial banks in Kenya.

Practice of guided missile culture in banks was tested using three dimensions which are; task orientation, individual output emphasize and roles definition.

H4: There is no statistically significant relationship between incubator culture and performance of Commercial banks in Kenya.

Incubator culture practice was tested using three dimensions which are; employees' self-focus, individual goals orientation and high creativity

H5: The relationship between organization culture and performance is not significantly mediated by strategy implementation in Commercial banks in Kenya.

Strategy implementation was tested using three dimensions which are; organization communication, policy framework and short term objectives.

1.5 Justification of the study

Kenyan Banking industry has in the last one decade experienced rapid growth in revenues and profits (Central Bank of Kenya, 2012). This has attracted several new entrants into the industry leading to changes in the competition landscape, characterized by stiff competition and survival tactics. The Banking environment in Kenya continues to change and the unpredictability of this discontinuous change makes the environment even more complex (Burnes, 1996). It is in the light of this understanding that this research was carried out. This research will be significant to the following stakeholders; financial institutions in Kenya, Government of Kenya, scholars/researchers and the customers of commercial Banks.

For any economy of a given country to prosper, financial institutions must play their crucial role in providing direction, through inflation regulation, money circulation, exchange rates regulations and banking services to customers. This study may assist the Central government in crafting better regulations that support financial institutions. The study may also benefit scholars/researchers by adding knowledge to the existing research. It explored various gaps that may trigger further research in the same area. The research may also help the customers in understanding their rights and responsibilities in the banks as key stakeholders especially in giving deposit and savings of their hard-earned monies.

1.6 Scope and limitations of the study

The objective of this study was to examine the mediating effect of strategy implementation on the relationship between organization culture and performance of commercial banks in Kenya. It was assumed that since the banks operate in the same industry, they experience similar environmental forces that influence their strategy implementation process in the same way.

Limitation of the study refers to constraints that may influence research negatively, so as not to achieve its objective. These aspects may include, some respondents not answering the questions during the study as expected; some may consider certain aspects of the study as being intrusive especially those related to financial disclosures. However, the researcher sought to reassure the target respondents that the study was strictly for academic purposes and their identity would be treated with strict confidentiality. This research focused on commercial Banks in Kenya which were units of analysis, therefore, generalizing findings to other countries require caution.

1.7 Delimitation of the study

Delimitation describes the boundary limitation of a study (Orodho, 2008). According to Simon (2011), delimitations are the characteristics that limit the scope and define boundaries of the study. This study was delimited to strategy implementation in commercial banks in Kenya. It was delimited to the following objectives; the mediating effect of strategy implementation on the culture-performance relationship, the effect of Eiffel culture on performance, effect of Family culture on performance, effect of Guided missile culture on performance and effect of Incubator culture on performance. The study was further delimited to three key variables; corporate culture, strategy implementation and performance. The study was delimited to commercial banks in Kenya and was based on census survey.

The study was delimited to Trompenaars (1994) culture typology framework. The study was further delimited to three aspects of strategy implementation comprising organization communication, policy framework and short term objectives. The Banking industry in Kenya has its uniqueness; findings of this study therefore can only be generalized to other countries with caution.

1.8 Assumptions of the Study

The following assumptions were important for this study. It was also assumed that the respondents honestly provided information based on their understanding and that permission from relevant authorities would be granted for the purpose of this study. It was also assumed that the commercial banks had strategic plans that were formally implemented. The researcher assumed that the achieved performance levels were a measure of strategy implementation, as was indicated through balanced scorecard measures.

OPERATIONAL DEFINITION OF TERMS

Strategy: A unified, comprehensive and integrated plan, designed by an organization, to achieve predetermined objectives.

Strategy implementation: Putting the chosen strategy into action, by carrying out activities that constitute it and ensuring that it guides the firm in the right direction. In this study the focus is strategy operationalisation aspect of implementation which involves strategy communication, setting policy and translating long-term goals into short-term objectives.

Organization culture: A set of important assumptions often unstated, that members of an organization share in common and that affects the organization's operations

Objectives: A specific attribute that an organization strives to achieve within a stated time frame.

Strategic plan: An organizations scope and direction. It is an approved plan of how a firm will move from the present state to a future desired state

Competitive advantage: A condition or circumstance that puts a company in a favorable or superior business position.

Population: a collection of individuals or objects that are the main focus of a scientific query

Validity: The degree to which an instrument measures what it is intended to measure.

1.9 Organization of the thesis

The introductory chapter (Chapter One) begins with the background of the study, followed by statement of the research problem and specification of the general objective of determining the mediating effect of strategy implementation on the relationship between organization culture and performance of commercial banks in Kenya are presented. Five specific objectives are stated.

Chapter two, literature is reviewed. It comprises both the theoretical and empirical reviews. The conceptual framework is presented. Research methodology is presented in chapter three. Research philosophies that guide the study is explained. Target population, sampling procedures, data collection, processing procedures and ethical considerations are explained. The fourth chapter presents results and findings. Both descriptive and statistical inferences analyses are presented. Chapter five is summary, conclusions and recommendations. A management model is presented.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter the theoretical underpinning of the study and empirical literature on study variables are presented.

2.2 Theoretical Review

This study was anchored on a number of frameworks and theories. These were Trompenaar's culture framework, Alignment theory, Strategy as practice, Goal Setting Theory and the Balanced Scorecard Framework. The theoretical underpinnings of this study are explained in the subsections that follow.

2.2.1 Trompenaars' Culture framework

Organization culture facilities communication, teamwork and promotes strategic focus. It creates an organizational identity while promoting a sense of value and commitment among members of the organization. However, static aspects of culture such as enduring attitudes, belief systems and certain organizational practices tend to pose a challenge against new strategic thoughts (Thompson, 2007). Comerford (1985) argues that maintaining a culture, that positively supports adopted strategy, greatly enhances effectiveness of strategy implementation. Organization culture is motivated by the need for internal integration, adaptation to the external environment and survival (McNeal, 2009). While internal integration focuses on internal organization; values systems, team boundaries, compensation and motivation, external adaptation focus on positioning the firm strategically in its industry.

The basis of organization culture is shared assumptions and philosophies, on which organization's belief systems are grounded. This level supports attitudes which are inclinations to act in a certain way. Norms in the organization are supported by the existing attitudes at the work place. These attitudes are expressed through behaviour by which overall culture is visualized and are manifested through words, symbols or gestures.

From Trompenaar's studies (Trompenaar, 1994) the, four culture typologies were identified. Two dimensions were used in this classification. The first dimension was Egalitarian versus Hierarchical. This is the degree of power distance between organization members that is presumed to affect the degree of decentralization in an organization. In this scenario, people are basically equal and decision making power is decentralized. People differ in position, power and decision making power is centralized, so the leaders decide and tell workers what to do.

The second dimension is people versus task orientation. Task orientation is assumed to be aligned with a more formal approach to communication while people orientation is a more informal in approach. Based on the two dimensions, a 2x2 matrix identifies four culture typologies (Trompenaar, 1994).These culture typologies are; Incubator culture which is egalitarian and person oriented, it is fulfilment oriented. It is characterized by creativity, which embodies spontaneous relationship emerging from creative processes. People are co-creators. The culture is characterized by management by passion and learning.

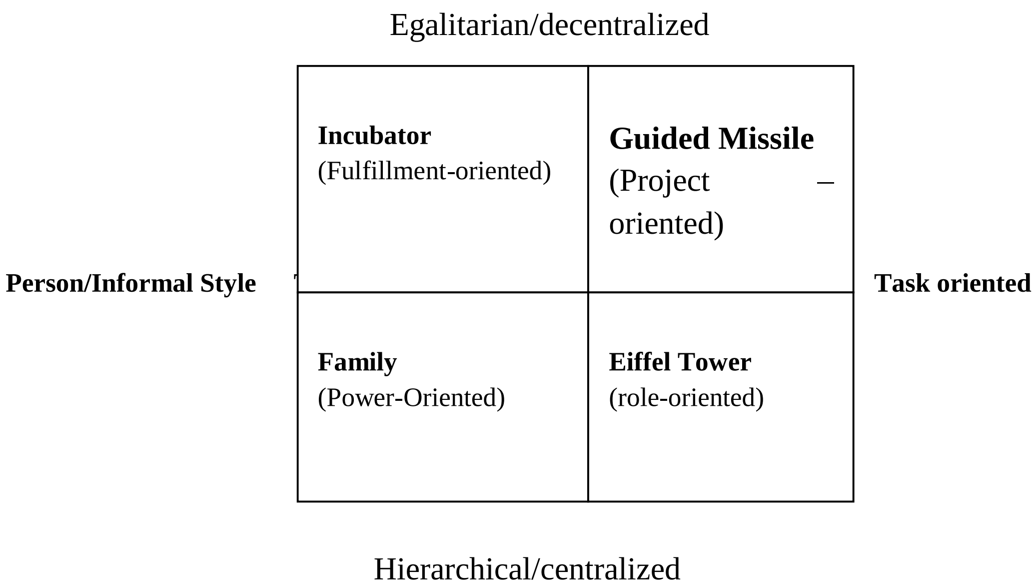
This study is anchored on Trompenaar (1994) culture typologies which posit that four cultures namely Family, Eiffel Tower, Guided Missile and Incubator culture differentiate performance of organizations. Organization culture is the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration (Schein, 1992). Cameron and Quinn (1988) define culture as the core values, assumptions, interpretations and approaches that characterize an organization. Organization culture affects the entire organization. According to Trompenaar (1994), the dominant prevailing organization culture influences the way organizations behave and carry out various activities.

Family culture (a power –oriented culture)

A combination of hierarchy and person orientation leads to Family culture, in which management is by subjectivity and respect for authority. Position in an organization is highly valued as a source of power and people are seen as family members. This culture typology is characterized by strong emphasis on hierarchy and on orientation towards a person. Organizations dominated by this culture are characterized by individuals who fulfill their tasks as directed by the leader, who is seen as a caring parent. Subordinates seek guidance and approval from this leader.

Figure 2. 1.

Trompenaar's cultural typologies



Source: Adapted from Trompenaar (1994, p. 145)

Eiffel Tower (role-oriented culture).A combination of task orientation and hierarchic orientation leads to Eiffel tower culture, characterized by emphasis on hierarchy, job definition and expertise. Individuals sharing this culture, have a strong orientation towards task and a strong emphasis on hierarchy. Authority is derived from an individual’s role in the organization. Roles and tasks are clearly defined.

Guided missile culture (a task-oriented culture). A combination of task orientation and decentralization leads to guided missile and strategy here is managed by objective. Based on the Motto ‘getting things done’, it lays emphasis on equity and orientation towards the task. All the organizational resources are focused toward, achieving task objectives. Expertise is the source of power.

Incubator culture (Fulfillment–oriented). This culture typology is egalitarian and person oriented, it is fulfilment oriented. It is characterized by creativity, which embodies spontaneous relationship emerging from creative processes. People are co-creators in this culture characterized by management by passion and learning.

The main emphasis here is on equality and orientation towards the person. This culture emphasizes self-fulfillment and self-expression for its members. According to Trompenaar (1994), the culture groupings influence how individuals respond to organization changes. He also adds that group of factors derived from geographical locations can influence each domain. Culture typologies inherent in an organization can influence the process of strategy implementation and organization performance. According to S-A-P theory, practitioners of strategy, managers and other members of an organization shape strategic activities through who they are, how they act and the practices they draw from values, beliefs and aspirations. Organization culture appeals to emotions and thus it will shape attitudes and behaviours of individuals (Brown, 1992). Culture therefore can make people more active or passive in relation to various organization initiatives.

Commercial banks operate in a highly competitive environment. For them to remain competitive and achieve required levels of performance; they need to formulate and successfully implement appropriate strategies. The existing corporate culture in a bank influences the success of strategy implementation (Navajos & Valencia, 2011).

2.2.2 Alignment Theory

The proponents of this theory argue that contextual factors need to fit with internal and external environment to optimize the strategy implementation process. Higgins (2005) posits that there must be fit between the strategy and internal organization. Kathuria, Joshi and Porth (2007) argue that management must strive to align the internal weakness and strengths, and external opportunities and threats with the organization strategy. Consistent with strategy as practice (SAP) perspective, top management teams are deemed to be the key actors in the strategy process (Jarzabkowski, 2003). Whittington (1996) argues that roles of people during strategy implementation cannot be generalized and that each activity requires certain practical competences.

Given the stiff competition in the banking industry in Kenya, and arguably the changing regulations, banks must formulate and successfully execute appropriate strategies. According to the alignment theory of the strategy execution, banks must ensure fit between the adopted strategy and contextual factors such as organization culture, leadership and structure. Managers must continuously configure the individual capabilities with the strategic requirement (Strategy as practice, perspective).

2.2.3 Strategy as Practice

Weick (1979) posits that strategy-as-practice (SAP) focuses on actions and interactions of strategy practitioners and aims at humanizing management. Whittington (2002) argues that SAP is a social practice which focuses on explicit links between micro and macro perspectives of a strategy. According to this theory, strategy is a situated and a socially accomplished activity. It draws from particular strategic activities. In the SAP view, strategy is not something that an organization has, but what the members of a particular organization do. This theory emphasizes on the importance of micro-actions of actors in the performance of the strategy.

Strategy as practice is a new idea that has emerged in the field of strategy (Whittington, 2003) levels it practices turn. The study posits that organization do strategy as opposed to having it. It is interaction and activities people do in an organization. It could be viewed as a social practice, which focuses on how practitioners of strategy interact and act, when making strategy decisions (Jarzabkowski, 2004).

Practitioners' local effectiveness is a key concern of strategy as practice, but this finally reflects on the overall organization performance (Whittington, 2003). Work and activities of people is the main focus of strategy as practice approach. The emphasis is the day to day activities in the organization which can be tied to some strategic outcomes. Focus on practice from social theory has strongly influenced perspectives of strategy researchers (Reckwitz, 2002).

According to Johnson (2007), practice perspectives are centrally concerned within activities within the firm. Practice theories situate activity within fields of social practice where humans draw on the shared understanding, skills, language and technologies of the wide society. Practices turn focus on actors and skills they bring including resources to the ordinary activities of their daily lives. The following three themes have been identified; the existence of a society and the influence of social field on human activities, how things are done in practical sense, and actors who determine initiatives (Whittington, 2006).

According to Jarzabkowski (2005), there is relationship between resources based view dynamic capabilities theory and strategy- as- practice. Theoretical resources such as situated learning, sense making and routines, institutional theories and actor’s network theories have correction with strategy as practical view (Johnson, 2007). These theories are compared on the basis of focus on content and process on one hand, and concern on micro and macro level variables on the other.

There is a strong relationship among the four theories. According to Johnson (2007), learning emerges through the activity of people in the world, who become communities of practice. Cognition is shaped by activity as one interacts with other actors and in turn this necessities research that focuses on inside the organization. This is further elaborated by structuration theory that focuses on interdependences between micro and macro – level variables (Giddens, 1984). On the other hand Actor – Network – Theory focus on type of work, who do it, what skills they have, and the tools they use for that work.

According to Johnson (2007), strategy is something that people do. It is an activity. Strategy –as- practice is concerned with strategy as an activity in organizations. Whittington (2003) states that strategy- as- practice focus on practices by which work is actually done. Johnson (2007) defines strategy as practice as what people do in relation to strategy, and how this influences their organizational and institutional context. It has an activity based approach, where activity means the day to day work of management including what managers do and what they manage, how strategist talk, act and interact (Jarzabkowsk, 2005). Strategy as practice describes the detailed process and practices which control the day to day activities of the organization which relate to the strategic outcomes. Strategy as practice is concerned with strategizing, which is what people do (Johnson, 2007).

The concept of activity in relation to strategy as practice is important. Strategy-as-practice acknowledges the significance of history and studies practices in the context of their historical development (McDonald, 2000). Activities arise from interactions among actors and between actors and the environment (Jarzabkowski, 2004). The notion of practice includes patterns of social interaction, interpretation within which knowledge is generated and shared.

According to Hendry (2000), the strategic discourse provides the loose coupling that mediates between cognition and action in the structuration of strategy process. Strategy-as-practice can be chosen and aligned through deliberate weighting by a strategist. By its output it can be classified by a researcher, and that these outcomes do not presuppose prior planning (Chia & Holt, 2006). The field of praxis is wide; it includes routine and non-routine, formal and informal activities including formal strategy work overtaken by emergence.

Perception of strategists in strategy-as-practice involves a wide distribution of organizational actors. These actors perform activities and carry out social practices. Practitioners in the strategy-as-practice are the social individuals, interacting with the social circumstances involved in doing strategy; of other actors which do the work of making, shaping and executing strategies (Whittington, 2006). Purposiveness and intentionality of the practitioners is a concern to strategy-as-practice. This is because strategy practices are viewed as logically coherent actions emanating from deliberate intentions and purposes, which are directed on visible, tangible routines and observable practices of significant individuals (Chia, 2004). Individuals apply knowledge and are reflexive, purposive and constantly monitor the progress of various activities.

Activities aim at outcomes that affect the organization, though this does not mean that the intention will always be achieved. Performance is directed on individual's effectiveness and local success though indirectly it may be aimed at the organizational level. It requires that the actors master the stalls applied in carrying out day to day activities and sharing knowledge. What people engage with is important to the concept of strategy as practice.

Strategic practices are the formal operating procedures involved in directing, setting resources, allocation monitoring and control. From social theory perspective, practices refer to reutilized type of behavior which consists of several elements, interconnected to one another (Reckwitz, 2000). Further, Johnson (2007) define practice as "what people engage with" it includes instructional procedures, systems, tools, and agenda driven behaviors. Jarzabkoswski (2005) categorizes practices; rational practices which include planning mechanisms, budgets, forecasts, control systems, performance indicators and targets.

In strategy –as- practice literature the same practice means an activity, the executive of actual strategy work in the practical world. The theory of strategy – as-practice is relevant to this study, in that the theory focus on strategy as a pattern in a stream of goal directed activity over time. It emphasizes the situated context and the interactions of various actors in relation to strategy. The role of people and communication is put into perspective.

While strategy formulation is an important activity in an organization, translating the strategic thought into an organization action presents many challenges. According to Thompson (2007), configuring internal organization (such as operationalizing the strategy) to support a strategic thought constitutes part of strategy implementation. However Mehdi (2010) opines that successful implementation of a strategic thought remains one of the greatest managerial challenges.

Whittington (2006) asserts that the environment affects the performance of a strategy, however adverse effects of the external environment can be mitigate through the actions of the managers of organizations. Practitioners of strategy, managers and other members shape strategic activities by who they are, how they act, and the practices they draw from such as values, believes and aspirations. Similarly, this theory is important in this study, since contextual factors, such as organization culture is an important variable, on which the study is anchored and which influences strategy implementation and organization performance.

2.2.4 Goal Setting Theory

In this theory, a goal is defined as what individual is consciously trying to do. According to Locke and Latham (1990), one’s values create a desire to do things consistent with them. Goals direct attention and action. Goals motivate people to design and adopt strategies that aid achievement of the set goals. Achievement of set goals or objectives is indicated in the performance of a firm. To enhance performance of a firm, goals a need to be specific (DuBrin, 2012).This theory is relevant in this study in that one of the pillars of strategy implementation is translating long term, objectives of the firm, into short term objectives, that are specific and actionable. According to this theory, specific goals/objectives enhance performance of a firm. People become more focused and action oriented.

2.2.5 Balanced Scorecard Framework

This is a strategy planning and management tool, developed by Kaplan and Norton in 1990. This tool is useful in performance measurement. It incorporates both financial and non-financial measures to give a balanced view of organization performance. This framework employs four perspectives in monitoring organization performance; Customer perspective, internal process perspectives, learning and growth perspective; and financial perspective. In this study, the researcher will employ customer growth rate, transaction efficiency, number of trainings and return on capital as performance indicators for customer, internal process, learning and growth and financial perspectives respectively.

2.3 Empirical Review

In this section, a critical review of other studies conducted on strategy implementation by other researchers is done. Bett (2012) studied challenges of strategy implementation in Kenya’s commercial banks. In this study the researcher focused on structure - strategy alignment; the changes required to adapt the organization to the environment. Mugo (2013) studied agency banking in the cooperative bank of Kenya, where he concludes that internal organization needs to be configured to support strategy implementation. In a comparative study focusing on KCB and National Bank of Kenya, (Muguni, 2009) found that KCB has a better executive training program, which has a positive correlation to KCB’s superior strategy implementation, compared to National Bank of Kenya. Kiptugen (2003) explored strategic responses adopted by Kenya commercial bank of Kenya to the changing competitive environment. In this study, the researcher focused on reactionary moves the Banks were taking in response to changing environment. Ndungu (2009) assessed financial performance in financial sector in Kenya which broadly focused on the financial sector. Muchira (2013) studied the relationship between strategy implementation and performance in commercial banks in Kenya. In this study, the author concludes that there is relationship between strategy implementation and performance of commercial banks in Kenya.

Successful strategy implementation results to higher customer satisfaction, superior products, higher performance and organization growth. According to Allio (2005), 57 percent of firms were unsuccessful at executing strategic initiatives over the past three years. Strategy implementation has been approached by different authors through different conceptions. Dekluyuer and Pearce (2003) opine that strategy implementation is a hands-on operation and action-oriented human behavioural activity that calls for executive leadership and key managerial skills. According to Kotler, (1984), it is a process that turns plans into actionable assignment and ensures that such assignments are implemented in a manner that accomplishes the plan's stated objectives. It is a process by which strategies and policies are put into action (Wheelen & Hunger, 1992).

The importance of communication in relation to culture in an organization set up is explained by Lopez et al. (2004) who believes that introducing a culture that encourages communication leads to a favorable working atmosphere. Daulatrum (2003) posits that different cultural typologies will influence employees' satisfaction in different ways in relation to commitment, cohesion and performance among others.

Various studies have been carried out on organization culture and its influence on organizations' strategy and performance. Quinn and Cameron (1983) developed competing values framework through have they established that organizations have many types of culture typology. Six key characteristics of corporate culture were investigated. These were dominant characteristics, organizational leadership, and management of employees, organization glue, strategic emphases and criteria of success. Using two dimensions, that is internal focus and integration versus external focus and differentiation dimension and stability and control versus flexibility and discretion, four types of organization cultures were established. These were Clan, Adhocracy, Hierarchy and Market. The study found that values and corresponding organizational cultures compete with each other. It established that flexible organizations are the most successful. However they concluded that there is no final best organizational culture, since the nature of business, mission, strategy and operating environment determine the appropriate culture to be encouraged.

Other studies have classified culture into four categories; adaptability culture, Bureaucratic culture, Entrepreneurial culture and Mission culture. Max weber carried out extensive studies on bureaucratic organizations. In these organizations, flexibility is not encouraged while many levels of supervision are embraced in the organizations. An open organization that continually redefines itself in the view of changing business environment can be described by adaptability culture (Harison, 2004). An organization where a leader, continuously scans the environment for a business opportunity, and is willing to take risk, can be described by entrepreneurial culture. The key objective of such a culture is growth (Mintzberg, 1988).

Organizations justify their existence through a mission statement. Mission focuses the efforts of the organization members towards vision realization. Aligning the company strategy with vision of the company enables an effective mission accomplishment. Such an organization can be described by a mission culture. David (2003) states that organization performance can be improved if prevailing culture is put into perspective during implementation of strategies.

Trompenaar's four culture model is based on his interactional culture dimensions, (Trompenaars, 1994). From the studies, four culture typologies were identified. Two dimensions were used in this classification. The first dimension was Egalitarian versus Hierarchical. This is the degree of power distance between organization members that is presumed to affect the degree of decentralization in an organization. In this scenario, people are basically equal and decision making power is decentralized. People differ in position power and decision making power is centralized, so the leaders decide and tell workers what to do. The second dimension is people versus task orientation. Task orientation is assumed to be aligned with a more formal approach to communication while people orientation is more informal in approach.

Based on the two dimensions, a 2x2 matrix identifies four culture typologies (Trompenaar's, 1994).These culture typologies are; Incubator culture**,** this culture typology is egalitarian and person oriented, it is fulfilment- oriented. It is characterized by creativity, which embodies spontaneous relationship emerging from creative processes where people are co-creators. The culture is characterized by management by passion and learning.

A combination of task orientation and hierarchic orientation leads to Eiffel tower culture, characterized by emphasis on hierarchy, job definition and expertise.
A combination of hierarchy and person orientation leads to Family culture in which management is by subjectivity and respect for authority. Position in an organization is highly valued as a source of power. People are seen as family members. Further, a combination of task orientation and decentralization leads to guided missile and strategy here is managed by objectives.

In his cultural typologies model Trompenaar (1994) states that culture could be based on person versus task dimension, or egalitarian versus Hierarchical dimension. Each orientation will influence people's behaviour at the workplace, and their attitudes towards strategy implementation. There is therefore a clear indication that culture influences an organization's internal environment, but it has not clearly explained how culture interacts with forces within the internal environment during strategy implementation. These forces relate to organization communication, resources allocation, policy framework, and translation of objectives into operational terms.

Johnson (2004) carried out research and presented five crucial success factors on strategy execution. According to Guth and Macmillan (1986), managers greatly influence success of a strategy in an organization. Judge and Stahl (1995) established that conflict of interest between strategic changes and management lead to strategy failure. According to Floyd and Woolridge (1992), shared understanding and common commitment are vital during strategy implementation.

2.3.1 Organization culture and performance

Organization Culture is the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration (Schein, 1992). Cameron and Quinn (1988) define culture as the core values assumptions, interpretations and approaches that characterize an organization. In his study Buul (2010) states that focusing on the prevailing culture during its strategy implementation is an integral part of strategy implementation, while (Alvesson, 1990) in his study on culture concludes that culture can be used as a tool for achieving performance in organizations. Values and beliefs held in an organization greatly influence effectiveness as concluded by (Denison, 1990). Organizations' value systems underpin their policy frameworks and practices. Strategy supportive values based on a strong prevailing organization cultures will greatly improve the strategy implementation capability of a firm.

Comerfold (1985) opines that a firm focused on innovation in its industry would require a culture biased towards creativity and risk taking. Owing to the diversity of modern enterprises in terms, of religion, race and ethnicity, strategic managers strive to develop a culture-strategy fit that will lead to supervisor performance. The prevailing organization culture must be configured to support strategy implementation leading to high performance.

According to Egwuonmu (1998), banks must sustain and encourage suitable cultures that support achievement of their visions, failure to which they collapse. Kotters and Hesket (2000) opine that suitable and desirable behaviour in the organization derived from past experiences can be used to influence culture positively. An appropriate culture is that which motivates employees and focuses them into problem solving approaches. Management should carry out regular assessment of prevailing organization culture in relation to company vision and mission, identify gaps and configure the culture to achieve acceptable fit with adopted strategies for superior performance.

Schein (2003) posits that an organization culture that is consistent greatly influences the performance and success of a company. Being a socially complex resource, companies with strong cultures have a history of superior performance and sustainable competitive advantage (Robert &Dowling, 2002)

According to Kotters and Hesket (2000), for smooth running of an organization there must be a fit between company goals and the way company does things. This fit leverages organization performance. Many authors maintain that culture influence performance, (Pirayeh et. al., 2003; Meijen, 2007).

Organization culture comprises how all members develop at all levels and is anchored on a broad-based history of the organization. It is expressed through material, lingual and behavioral aspects of the organization. According to Trompenaar (1994), culture typologies, four main cultural typologies differentiate organizations. These are: Family, Eiffel tower, Guided missile and Incubator. According to S-A-P, the behaviour of practitioners of strategy influence micro strategic activities as the strategy is implemented. Organization culture influence people behaviour at work. Prevalence of appropriate culture in the organization will support strategy implementation and improve organization performance. According to Richard et al., (2009), organization performance encompasses three specific areas of outcomes: (a) financial profits (b) sales or market share and (c) shareholder return.

Organization performance comprises of the actual output or results of organization as measured against their intended output – goals and objectives. Strategies are designed to achieve organization objectives. Therefore, successful implementation of a strategy is necessary to improve organization performance.

2.3.2 Strategy Implementation and Performance

Strategy implementation describes the process of activating the strategy. It is based on the overall concept, strategic goals and the essential question about the purpose as well as the financial and regulatory framework. The main focus is strategy directed action plans (Mayer, 2016). Strategy implementation comprises of activities which align the firm with the new strategy.

According to the emerging field of strategy as practice (SAP), strategy is something organization members do and enact. Strategy process involves people making, formulating and implementing strategies (Johnson & Whittington, 2007). Strategy is operationalized through social interactions, routines and conversations through which managers project a direction for their firms and prepare the firm to execute it (Denis & Roulau, 2007). This implies that practice based approach to strategy focuses on micro activity level of organization life. Strategy implementation involves breaking long-term corporate objectives to operational short-term objectives, setting policy framework and communicating the strategy (Pearce & Robinison, 1996). According to Barnat (2005), strategy is a wide plan created as a response to operating environment, so as to achieve the objectives of a company. This means that the business environment greatly influences the process of strategy implementation. Strategy implementation is an activity based process with each activity actively contributing to achieving the mission of the organization (Strickland, 2001).

Strategy institutionalization is also an important part of strategy implementation and involves developing and configuring internal organization; culture, leadership, management organization structure and resources to fully support the new strategy.

Strategy implementation is based on several important aspects; Organization communication, policy framework development and translation of long–term goals into short-term objectives while various internal forces are aligned with the new strategy requirement.

Organization Communication

Introduction of a new strategy in an organization leads to a significant change which if poorly managed can lead to down fall of the organization and strategy failure. Studies have shown that as much as 60% of change initiatives in firms fail (Beer & Nohria, 2002). According to Lewis (1999), there is a close relationship between organizational change and communication process.

Malmelin (2007) argues that ineffective communication can lead to low trust, low commitment among workers, stress and employee turn-over. It has been established that effective communication can significantly reduce resistance to change. New strategies may require the organization to change the way it does things. It may entail introducing new task or varying the existing tasks assigned to individuals. Therefore passing correct information and changes to the relevant employees is essential.

Organization communication has been defined as a process whereby members gather information about their organization and changes taking place (Kreps, 1990). Chen et al. (2005) define organization communication as transmitting news about work from an organization to employees and through employees. Burnes (2004) observes that communication is the key to gaining people's involvement and significantly reducing their level of uncertainty in the activities of an organization.Studies have shown that employees have a sense of value and motivation when working in an environment characterized by effective communication(Barrette, 2002).

Little attention has been given to the relationship between organization communication and strategy, formulation, (Forman &Argent, 2005). In the study by Alexander (1985) communication is cited as key in strategy implementation. Communication explains the various roles that constitute the strategy, how they will be carried out and who will perform them. Employees managers open communication greatly supports effective strategy implementation, (Ropert & Wren, 1998). Training, learning and knowledge dissemination are promoted by effective organization communication. Therefore organization communication is a key requirement in strategy implementation and management should eliminate communication barriers, which include personal management barrier, structure related barriers, learning barriers and cultural barriers to enhance organization communication. These barriers negatively affect strategy implementation process.

Frequent vertical communication, knowledge sharing and strategic census lead to organizational performance improvement. Velliquette and Garretson (2002) note that strategic consensus and performance are enhance by frequent vertical communication. Study based in Nevada demonstrates that 38% of senior-level leaders did not effectively communicate company's business strategy to all their subordinates (Schaap, 2006). Firms should establish a corporate communication office, to deal with issues related to communication of the strategy and general feedback from all implementers (Forman &Argent, 2005).

A study by Nutt (1986) identified four tactics of strategy implementation; edict, participation intervention and persuasion. The study established high percentage rate of implementation success when an intervention tactics was used. Participation tactic was common among firms while edit was the least employed tactics, with 23% success rate. While intervention had highest success it was uncommon. It involves adjusting the process of strategy implementation by introducing new norms and practices.

Further, Changes model was developed to advice managers on how incentive compensation, control systems and organizational structure can facilitate the process of strategy implementation. While decision making at senior levels, and commitment is advised by collaborative model Culture model explain how organization can be realigned to support strategy implementation. For generic strategy implementation, study has shown that different tactics are needed to achieve success (Akan, 2006).

Innovation in marketing and creativity support differentiation strategy. Low distribution cost support cost leadership while producing products for high price market segment, supports focus differentiation. Common understanding of the strategy implementation process, leads to successful implementation. This is promoted by consensus between the levels of management in which case, implementation gaps therefore can be closed through improved common understanding. This similarly will boost high level of commitment (Dooley & Judge, 2000). Meanwhile, both consensus and strategic commitment are necessary, but are two different aspects (Lynch & Suter, 1996). Commitment refers to involvement and dedication to a strategy by a functional area and has a deeper attachment with the strategy. Consensus refers to the belief that the chosen strategy is appropriate.

Because strategy implementation is people centered both commitment and consensus are important in realization of successful strategy implementation. Strategy commitment, organizational commitment and role commitment are important. The extent to which an individual identifies with the organizational goals is organizational commitment. This focuses individual's effort towards strategy implementation driven by achievement of organization goals. Strategy commitment among mangers will influence manager's individual implementation responsibilities. The achievement of an individual role in the strategy implementation process relates to role commitment (Noble, 1999).

Organizational structure is the frame work on which strategies decisions are based. There are different types of organization structures. The structure adopted by a firm is influenced by many factors, including strategy pursued by the firms, nature of products. Technology employed cost, management aspirations, geographical expansion and the business environment. No structure is suitable for all strategies. Proper strategy- structure alignment is necessary for successful strategy implementation (Drazin & Howard, 1984).

Decentralized structures tend to support strategic business units' high performance through enhanced effectiveness at the SBU level, (Gupta, 1987). Adjusting the organization structure to suit the new strategy will improve strategy implementation process (Schaap, 2006). For multinational firms the parenting relationship between headquarter and the subsidiaries are influenced by business strategies of the subsidiaries. Subsidiaries perusing low cost strategy are favored by low autonomy (White, 1986).

Designs of control systems and how they are used at operations level, influence the process of strategy implementation. Both strategic and operational level controls should be aligned to improve strategy implementation, (Nilsson & Rapp, 1999). While controls at strategic level focus on the constituency of the strategy with external environment, constantly assisting the key assumptions of the strategy the operations control focus on how the firm is performing, in relation to resources as allocation, time schedules and caring out of tasks and sub-tasks that are strategy related.

Organizational change can determine the success of strategy implementations. According to Drucker (1999), change cannot be predicted, but can only be anticipated. Organizations undertake changes either proactively or reactively to improve the performance and remain relevant. Business environment is continuously keep changing and therefore firms change to adapt to the changing business environment. This is reactive change. Firms will initiate change from within, which is proactive change. The rate of change is influenced by many factors including the type of change. Transformational changes could be evolutionary, which is implemented gradually through initiated initiatives within the firm. It is undertake to realign the way the organization operates.

Revolutionary transformational change occurs via simultaneous initiatives on many fronts. Strategic change is undertaken to ensure that the organization achieves the predetermined goals and objectives. During strategy implementation the organization must assign the internal environment in order to support the new strategy. Successful strategy implementation to a great extent depends on successful change management. Organization force such as corporate culture influence strategy implementation process.

Change kaleidoscope model Balogun and Hope (1999) advice mangers in designing context sensitive approach to change management. In order to achieve better strategy implementation results management must put context of the firm into considerate. Scope is the degree of change required to support the strategic initiatives, preservation refers to the extent the organization intend to maintain certain aspects of the internal environment.

Diversity is degree of diversely among staff who are undergoing change. Capability is the managers' ability to guide the employees through strategic change initiative. Managers must provide the necessary guidance and leadership for a successful change implementation. Capacity refers to resources available to implement strategic changes including financial, physical and human skills. Readiness is the extent to which staff is aware of the need for changes, while power is the freedom given to the change agent. This context influences the change approach. The contextual factors therefore influence how strategic change is implemented.

In his model of change management, ADKAR, Hiatt (2006) focuses on the principles of change that are effective at individual level. Managers must create the necessary awareness about the intended change, create desire to adopt change among the employees so that they support change. Managers should provide the necessary knowledge to carry out new assignments and roles. The knowledge will give employees the ability to deal with change challenges. By recognizing employees by use of a better reward system, newly learned behavior is sustained.

In his model, according to Kotter (1985), eight steps lead an organization through successful change. These are; established a sense of urgency for change, creating the guiding coalition, establishing the change vision, empowering broad-based action by removing change roadblocks, creating short-term wins, consolidating gains while producing more changes and taking culture of the organization as the basis for new approaches.

During strategy implementation, communicating the intended changes is important. The objective of this communication is to address employees' concerns. The following are some of the reasons why this communication is important. According to Klein (1996), minimizing uncertainties among employees regarding the intended change is one of the main reasons for effective communication during change process. Carnall (1997) states that the purpose is to overcome barriers to change while Kotter (1995) explains that communicating change effectively will enhance employees' commitment. Parker et al. (1997) established that higher job satisfaction was associated with employees' participation. Similarly Glew et al. (1995) state that involvement of employees in decisions can lead to increased organization performance.

According to Brown (2005), implementing strategic change requires a delicate balance since it can lead to both expected performance improvement as well as unexpected performance decline. Strategic change can be described as effective if it leads to overall performance improvement. Because of challenges associated with executing change at customer interfaces in relation to service organizations such as banks, research findings have established that the relationship between marketing orientation and performance outcomes is weak(Bearden, 2005).

Elements that require consideration during strategy implementation are annual objectives, company policy, organization communication, organization culture, leadership organization structures and change management. These elements are significant forces during both strategy implementation and execution. An appropriate fit between these elements and organization strategy has a positive correlation with organization performance.

Organization communication can be viewed as a means to performance (Banihashemi, 2011). This is because it creates an environment that promotes co-operation among employees and in turn enhancing performance. Williams (2007) opines that efficient and effective communication between top level managers and subordinates can lead to mission accomplishment and hence organization success.

While the organization structure is the framework on which strategy is based, communication facilities functioning of the structure. Both lateral and vertical communication is necessary for a successful organization. This is because both lateral and vertical communications facilitate coordination and integration of activities at various levels.

During strategy implementation organization experiences change. Communication plays an important role in management of the change for the benefit of the organization (Husain, 2013). Management need to adopt effective communication to minimize resistance to change In the unfreeze- change- refreeze model of change, Kurt Lewin (1940) argued that during the unfreezing phase of change, management employs communicating the change and awareness creation to loosen existing values and attitudes to embrace the new norms in the organization. In the study on effects of communication strategies on organization performance, Kibe (2014) established that open communication environment in an organization is necessary to achieve superior performance; that open climates enhance team work.

In a case study by Weiman, Hinzcoh and Pollock (2010) in a German based manufacturing firm, they established that satisfaction of team members is mainly accomplished through effective communication. Further, in a study on how bureaucracy in firms affect communication, (Rho, 2009) opines that Business environment as well as the industry influences communication model adopted.

Organization communication has been described as the life –blood of the organization, glue that binds the organization, oil that smoothens the organization's functions, the thread that ties the system together, the force that pervades the organization and the binding agent that cements all the relationships (Gerald, 1990). Research findings show that there is a correlation between an effective communication system and a high overall organization performance. Hewlett-Packard, a company reputed for a strong productive culture, encourages Interpersonal Communication (Gerald, 1990).

According to Gerald (1990), organization Communication is the process of creating and exchanging messages within a network of interdependent relationships to cope with environmental uncertainty. Once long term objectives are established, corporate and business level strategies are selected, several activities must take place to ensure the strategy is ready for implementation. These activities constitute strategy implementation. The Company's strategic intent must be communicated to the members. Strategy Communication is an integral part of strategy implementation.

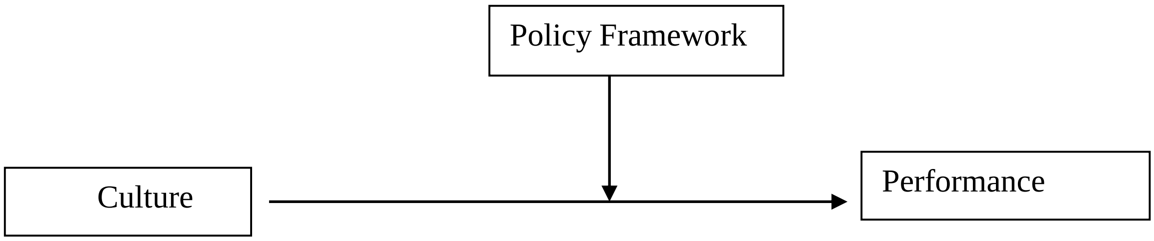
For commercial banks, corporate strategy is formulated at the corporate office. This strategy must be clearly communicated in a form that is easily understood to the functional areas of the bank-branches. Without effective communication, executives will be creating room for resistance. Strategy cannot be successfully implemented if it cannot be understood (Kaplan & Norton, 2001). As depicted by the model above (Fig 1.0) organization culture influences communication in an organization which in turn influence strategy implementation and overall performance of the organization.

Policy Framework. Policies define an area within which a decision is to be made and ensure that the decision will be consistent with and continue to be consistent. Policies help make appropriate decision about an issue before it becomes a problem. Policies help executives to delegate authority while maintaining control over the subordinates. Since company strategy could have several dimensions, each of these dimensions requires a policy.

Before strategy implementation begins, a right policy framework is necessary-to define the context of strategy implementation. Procedures must be set to establish actions. They detail the exact manner in which certain activities are accomplished. Rules are more specific. They spell out specific required actions while policies are guides to an action, rules spell out what needs to be done.

Figure2.2.

Policy influences the strategy – organization performance relationship



Source: Author (2018).

The figure indicates that organization culture affects organization performance through the influence of policy framework in the organization.

In Commercial banks, Success of strategy implementation to a great extent requires an appropriate policy framework. Given the level of delegation from the corporate office to the branches, an internal administrative support system must be installed. There must be policies and procedures to establish desired types of behaviours and guide actions. Policy framework in an organization therefore influences organization performance.

According to Locke and Lantham (2002), goals greatly influence employees' behaviour and performance in organizations. DuBrin (2012) argues that goals or objectives improve and sustain performance in an organization, and adds that specific goals are more effective. In addition, specific goals direct attention and action (Locke & Lantham, 2002). Objectives help to gauge and report performance, improve performance, align effort and manage accountability (Kaplan & Norton, 2010). Objectives provide feedback on how well or poorly the strategy is being executed. Strategy implementation requires translating long term objectives into current targets by developing annual objectives. These are actionable targets that form the basis for strategy evaluation. They are very precise, time-based, measurable actions that support completion of a goal. While a goal is an open-ended attribute denoting a future state or outcome that organization strives for, objectives are closed ended attributes, denoting a future state or outcome the organization strives for. According to Terpstra and Rozell (1994), how goals are set is as important as the goal itself. Goals must be translated into short-term actionable adjectives, which are specific, measurable, achievable, realistic and time bound.

According to Locke and Lathum (2002), setting challenging objectives enhance employees' effort which can lead to superior performance. These objectives serve as sources of internal motivation among employees. While they link the organization with its external environment, they form the bases for performance appraisal. It is through objectives that the mission of the company is achieved.

2.3.3 Strategy implementation and performance

Strategy implementation entails the conversion of the strategic plan into action, and then into the desired results (Thompson, 2008). Strategy is therefore considered successful when the organization is able to achieve its objectives, both financial and non-financial.

Barnat (2005) posits that strategy is a wide plan created as a response to operating environment, so as to achieve the objectives of a company. This means that the business environment greatly influences the process of strategy implementation. Strategy implementation is activity based process, with each actively contributing to achieving the mission of the organization (Strickland, 2001).

The whole purpose of adopting a strategy is to change the organization for better, and improve performance. According to Kotter (2006), however, research has shown that as high as 70% of these expected changes never take place. Zook and Allen (2001) Argue that 90% of companies do not realize their strategic goals.

While strategy formulation is a demanding exercise, strategy implementation is an uphill task (Hrebiniak, 2006). Strategy implementation is a dynamic, interactive and complex process, made up of a series of decisions and activities, by managers and employees, leading to achievement of strategic objectives (Li, Guohui & Eppler, 2008). A successful implementation of strategies requires managers to develop a set of action plans and Subsequent tactics which involves creating required capabilities (Pinto & Prescott, 1990).

According to Hrebiniak (2006), effective execution of a strategy does not overcome issues associated with strategy formulation. Strategy implementation is greatly limited by poor strategy. The process of strategy implementation, and the strategy itself, will determine to a great extent the success of strategy implementation. A good strategy input is the beginning of successful strategy implementation. Each strategy is specific to some goals in a firm (Bantel, 1997).

Managers of multinational enterprises must be keen to provide the necessary parenting to subsidiaries, some of which prefer an open process that is fair (Mauborgne, 1993). This encourages managers of subsidiaries to be motivated in giving strategic inputs to the local office. Software based tools can help to meet cognitive requirements during strategy implementation. This is according to Sigh (1998), these can support the process of decision making for successful functional level strategies. The parent strategic business unit strategies should be supportive as explained by (Slater & Olson, 2001). It was observed that when a business strategy is linked with a functional strategy, in marketing it lead to superior performance. Govindarajan, (1989) notes that strategy implementation is people centered, and that they play a critical role in the success of implementation of a strategy.

The relationship between different strategy levels, corporate strategy, business strategy and functional level strategy is therefore important and to a great extent influences the success of strategy implementation (Walker & Ruekert, 1987). They stipulate that the overall direction of the firm in relation to its vision is guided by corporate strategies which play the role of parenting, portfolio management and direction of the enterprise. They help in resources allocation across various strategic units while providing their coordination. Corporate strategies address long-term goals of the enterprise including where the firm competes.

Business strategies support the corporate strategies. They address strategic business unit objectives, allocation of resources across their functional units, and orients the firm at the market places (Walker & Ruekert , 1987). Porter (1980) demonstrates that cost leadership, differentiation and focus must be aligned with the other levels of strategy for superior performance. The reward system, SBU autonomy, synergy as well as programs sharing determine the success of strategy implementation. However, conflicts among various units, negatively affects strategy implementation while affective communication positively affect strategy implementation (Chimhanzi, 2004).

Aligning marketing effort with human resources can lead to superior performance through successful strategy implementation (Chimhanzi & Morgan, 2005). This means marketing managers should focus to grow this relationship by encouraging joint reward system and effective communication. People side of strategy implementation is more significant than organization and systems as noted by (Sweeney, 2005). Harrington (2006) however notes that the level of strategy implementation had a relationship with level of the total organization involvement. The involvement of the top key manages of the organization influence the success of strategy implementation, (Breuer, 2006). It is established that level of participation and interaction among the top level managers, leads to higher commitment to company goals and the even all success of strategy implementation.

The role of middle level managers is equally important. Their experience and willingness to take risk and high level of tolerance can contribute positively towards strategy implementation (Gupta & Govindarajan, 1984). Personal characteristics of a middle level manager, will influence generic strategy, such as low cost leadership differentiation and focus differently (Gupta & Govindarajan, 1984). However the effort of key middle level manager toward strategy implementation depends on his perception of the ability of the firm to perform and personal desirability of the process outcome. Middle level managers can however become roadblocks through exhibiting behaviours which can delay the process of strategy implementation, on reduce the quality, if the process outcomes are not desirable.

Perceived ability, probability of success and consistency between personal goals and strategic goals will influence the role of middle level managers in strategy implementation, (Macmillan, 1986). Middle level managers who disagree with the strategy can decide to sabotage it. Managers however can change it. Managers however can change the behaviours at work to suit different strategy requirements. The interaction between the middle level managers and top managers will influence the success of strategy implementation. The level of interaction is influenced by factors such as age, gender, experience and level of education. Conflict however can arise where middle managers feel that they are in a better position to evaluate various courses of action. Floyd and Wooldridge (1992) describe two main types of involvement of middle level managers in strategy implementation, upward involvement and downward involvement. Balance between upward and downward involvement determines the overall strategy implementation process.

Lower level managers have insufficient capacities and lack leadership capacities which affect strategy implementation (Alexander, 1985). Top level mangers formulate strategies and impose them on lower level managers to implement. Poor communication and lack of awareness about the strategy lead to poor implementation (Nutt, 1987). Noble 1999 state that lack of shared knowledge among lower level employees in relation to top managers, leads to poor strategy implementation. .Lehner (2004) notes that implementation in general is dependent on environmental, strategic and organizational variables. In his study on tactical approaches to strategic implementation. Further, Nutt (1986) states that intervention tactic has a higher rate of success during strategy implementation.

Figure 2.3.

Relationship between long-term goals and short-term goals

Performance

Goals → Objectives → Targets

Strategy Implementation(operationalization)

Vision & Mission   Strategic goals and objectives

Relatively long-term ↔ relatively short- term horizon

Source: Author (2018)

2.3.4 Organization Performance

The balanced scorecard framework is widely used to measure performance of organizations, including the banks. The use of balanced scorecard urges the firm to understand how to respond to the shareholders (financial perspective),how customers view the firm (customer perspective) what internal operations to adopt for competitive advantage (internal perspective) and what it can continue to improve and create value in order to grow(learning and grow the perspective) (Kaplan & Norton, 1992). They identify the three strategic themes for the financial perspective as revenue growth and mix, cost reduction, productivity improvement and asset utilization/investment strategy. All the actions are geared towards making the business unit increase the returns earned on its financial and physical assets. The generic measures for financial perspective are indicated as measures on return on investment and economic value added. The measure of the financial perspective selected is the return on assets. This is a measure of financial performance that has been most widely used in strategy research (Lee & Miller, 1999). Return on assets is often used as a measure of bank profitability in performance analysis (Borio, Gambocorta & Hofmann, 2015).

For the customer perspective, Kaplan and Norton (1996) notes that almost all value propositions typically contains measures that incorporate the response time, quality and price of customer based processes. Customer satisfaction will lead to increased number of customers. Customer growth is used as a measure in relation to customer perspective in this study. On response time, banks typically accelerate approval of loan applications hereby reducing the waiting time of applicants.

In banking, the convenience of the customer is becoming paramount in driving volumes and (Opio, 2015) indicates the emergence of Omni channel that customers want as opposed to alternative channels. Alternative channels mean there is a main channel of access, say the branch, with others, the mobile, internet, Automated Teller Machine(ATMs), agents, merchant point of sales (POSs), being alternative channels. In the Omni channel banking customers expect to access banking services from anywhere and seamless experience across the different channels (Opio, 2015). This inconvenience contributes to low costs.

In the internal business process perspective, critical processes at which the organisation must excel to meet the objectives of the shareholders and target customers are identified. The business processes are identified. The business processes are categorized in three stages of innovation process, operation process and the post-sale service process (Kaplan & Norton, 1996). The innovation process involves developing the products or services that satisfy the target segments with a focus on research designed and development process and can be measured by the percentage of revenues from new products over the period. Ability to deliver banking services through alternative channel is a measure of the innovation process and can be measured through the percentage of sales through the alternative channels.

In the operation process, organizations identify the cost, time, quality and performance characteristic that enable delivery of superior product and services to its current customers. All the post sales service process, organization feature aspect of services that occur after the purchased product has been delivered to the customer (Kaplan &Norton, 1996).In the banking services, the loan portfolio management team would focus on post-sale service delivery to ensure effective loan recovery. In this study transaction efficiency is used as a measure in the internal process perspective. The measurement of performance can be achieved by applying time, quality and cost metrics to the post sales service process. The level of automation and service delivery channels would be a measure of performance on the post sales service process (Opio, 2015).

The fourth perspective of the balanced scorecard is the learning and growth in the organisation and enables the achievements of the excellent outcomes in the first three scorecards perspectives. Kaplan and Norton (1996) note that the learning and growth perspective has three categories of enablers being employee capabilities and motivation, empowerment and alignment. With most routine processes automated, frontline employees who are closest to the internal processes and the firm's customers are expected to come up with ideas for improving process and performance for customers. This will require major retraining of the employees. On the employees capabilities the three scorecard measurements are employee satisfaction, employee retention and employee productivity. Employee satisfaction could include measures such as involvement in the decision, recognition, access to information, empowerment, while employee retention is generally measured by percentage of key staff turnover. Employees can be empowered through enhanced competences. This is achieved through training. Number of trainings is used as a measure in relation to learning and growth perspective in the balanced scorecard.

2.3.5 Summary of Literature Review

Informed by the existing theories and results of empirical studies, there exists a research gap on how strategy implementation influences the relationship between organization culture and strategy implementation. Various strategic management models have been proposed by different authors; Certo and Peters (1988) model describes five phases of strategic management. Wheelen and Hungers' (2004) model identifies four phases of strategic management; environmental scanning, strategy formulation, strategy implementation, and strategy evaluation. Glueck and Jauch's (1984) model describes four phases; analysis and strategic choice, implementation and evaluation. Thompson and Strickland (2010) model of strategic management identifies five phases; Strategic vision development, setting objectives, crafting strategy, execution of strategy and strategic evaluation. The above models/theories have not sufficiently elucidated the critical role of the strategy implementation along the following three elements; organization communication, policy framework and short-term objectives setting and their effect on culture-performance relationship. Strategy implementation in this study is based on three important aspects, namely, organization communication, policy framework and translation of long–term goals into short-term objectives.

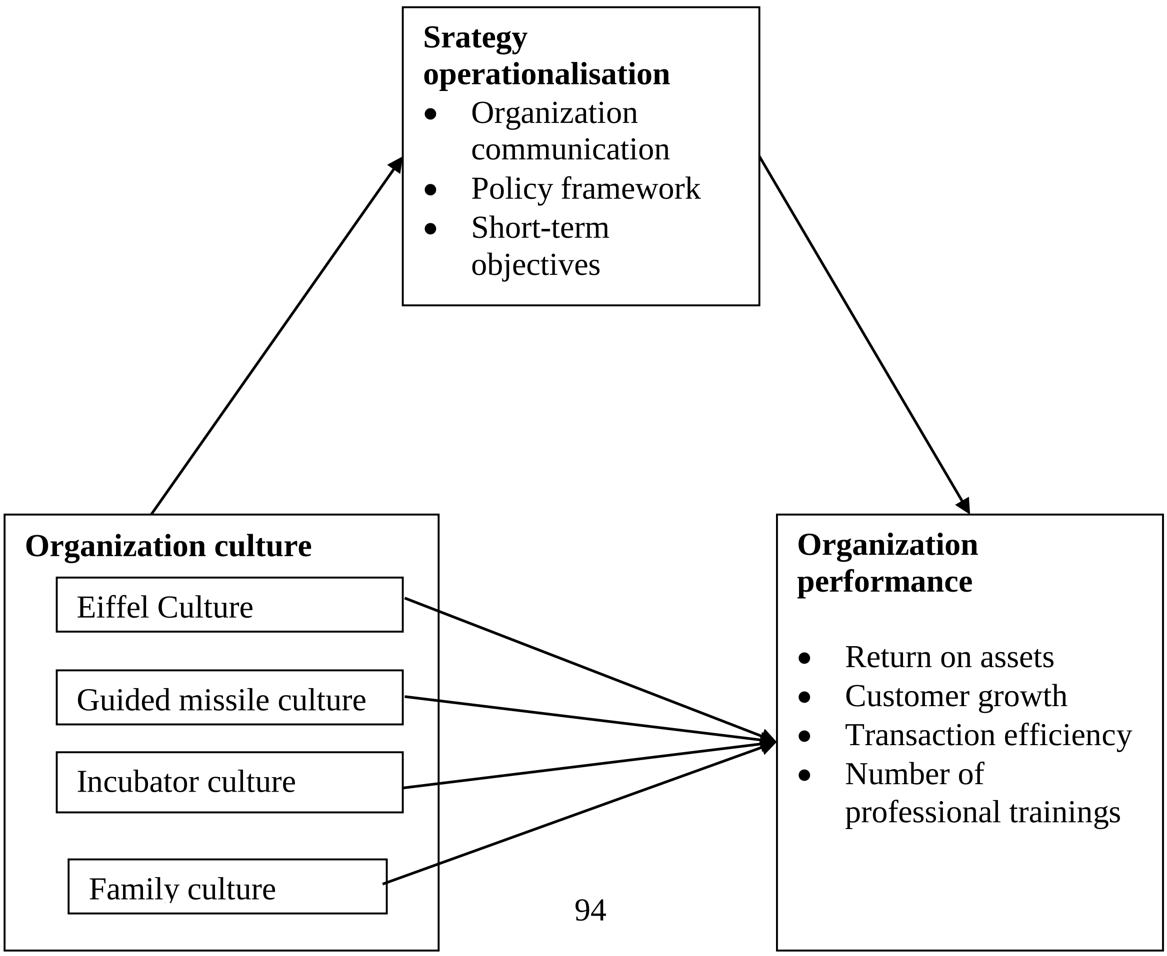
Based on the reviewed literature, both theoretical and empirical, it is clear that no attention has been given on the above three aspects of strategy implementation and their mediating effect on culture-performance relationship. Based on this review, the predicted relationship was that the independent variable (organization culture) has a significant relationship with dependent variable (performance). However, this relationship is mediated by the mediating variable, strategy implementation (organization communication, policy framework and short-term objectives setting. This study therefore sought to determine this relationship.

2.4 Conceptual Framework

Conceptual framework outlines the key elements and variables associated with this study. This study aimed at establishing the mediating effect of strategy implementation, (mediating variable), on the relationship between corporate culture, (the independent variable) and strategy implementation, (dependent variable). The conceptual framework is shown as Figure 2.5.

Figure 2.4.

Conceptual Framework



Source: Author (2018)

In this study three constructs, namely organization culture, srategy operationalisation and performance are measured through 11 variables. These are Eiffel culture, Incubator culture, Family culture and Guided missile culture for organization culture. Similarly, organizational communication, policy framework and short-term objectives setting are used to measure strategy operationalisation, while return on assets, number of trainings, customer growth and efficiency were used to measures of bank performance. Under the organization culture, the study focused on four cultural typologies based on Trompenaars (1994) model, these are *Family, Eiffel tower, Guided missile* and *Incubator* culture.

On strategy operationalisation, three elements were considered: organizational communication, policy framework and short-term objectives. Under the dependent variable, balanced scorecard approach was used in measurement of organization performance. Four measures were employed; that is return on assets, transaction efficiency, number of professional trainings and learning and customer growth.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter describes the research philosophy, research design, target population, data collection instruments and procedures, reliability, validity of instruments used as well as data processing and presentation methods.

3.2 Research philosophy

Research philosophy guides researcher's attention when dealing with a phenomenon in terms of gathering data, data analysis and the usage of information from the analysis. While epistemology relates to the acceptability of knowledge in a given field of study, doxology is about what is believed to be true. Objectivism and subjectivism are central themes of ontology which is socially centered, focusing on reality. According to Saunders (2014), research philosophy can be classified into the following; positivism, interpretism, realism and pragmatism .A research philosophy, based on the belief that by varying an independent variable, one can establish its relationship with other variables thus being able to view and describe reality is called positivism philosophy.

The researcher adopted positivism. Positivism is a philosophy that focuses on factual knowledge gained through observation. The role of the researcher was limited to data collection and interpretation. Research findings are usually observable and quantifiable (Dudovskiy, 2012). As a philosophy, positivism accords with the empiricist view that knowledge starts from human experience. In positivism leaning studies, a researcher is independent from the study and there are no provisions for human interest within a study. Positivist study adopts deductive approach (Crowther & Lancaster, 2008).

This approach was suitable for this study because inductive reasoning was used to develop hypothesis to be tested during the research process. The role of the researcher was limited to data collection and interpretation. This study sought to establish relationships among three phenomena that exist in an organization; corporate culture, strategy operationalisation and organization performance.

3.3 Research Design

Saunders (2009) defines research design as a detailed plan that gives guidance on how the study will be conducted. It guides the collection and analysis of data. Saunders (2010) defines researchers as a detailed plan that gives guidance on how the study will be conducted. It guides the collection and analysis of data. According to Cooper &Schindler (2014), research design is a frame work for specifying relationships between the variables in the study. It is a plan for selecting the source and type of information used to answer the research question. There are many research designs– exploratory, descriptive, causal-explanatory, experimental, and observational which researcher can apply.

In this study, the researcher adopted descriptive and cross sectional survey approach. This involves collecting data on phenomena as at the time of the study. Cross-sectional design is recommended for relationship studies because it is robust. The variables under study are measured as they naturally occur. A descriptive survey method was used to conduct this study. This method is used to collect data from a large population at a particular point in time in a highly economical way with an intention of describing the nature of existing situation. Descriptive studies can answer questions such as ‘what is’ or what was (Bictman & Rog, 1998). It seeks to find out what factors are associated with certain occurrences, outcomes and conditions of behavior (Bell, 1987). Cross-sectional research design has been used previously by

(Munjuri, 2013; Njeru, 2013). Descriptive design could be adopted for research focusing on finding out when, how and what, in relation to a phenomenon, (Cooper & Schindler, 2003).

3.4 Target Population

This study focused on the 43 commercial Banks in Kenya, regulated by the Central Bank of Kenya. Singleton (1994) posits that the ideal setting for any study should allow accessibility by the researcher and should provide instant rapport. Singleton also notes that an ideal reason for setting any study should be the existence of a problem that the study hopes to generate solutions for.

A census survey of all 43 commercial banks was conducted. All people under consideration in any field of inquiry constitute a universe or targeted population (Combo, 2006). The target population according to Borg and Gall (1989), refer to all the members of a real or hypothetical set of people, events, or objects for which the researcher wishes to generate results of the study. For this study, the Banks were the units of analysis, while respondents were the units of observation. This study targeted the 43 commercial banks in Kenya. Three respondents, who comprising a branch manager, operations manager and a teller attendant at each bank headquarter branch (see Table 3.1).

Table 3. 1

Indicating the number of each respondent

Respondent	Number
Branch managers	43
Operations managers	43
Teller Attendants	43
Total	129

3.5 Study Respondents

Sampling means selecting a number of individuals or objects from a population, such that the selected group contains elements representative of characteristics found in the entire population. According to Kombo and Kisilu (2006), sampling is the procedure a researcher uses to select people, places or things to study. A sample is a finite part of a statistical population whose properties are under study. Factors such as nature of population, number of variables and population size determines sample size. Because of the number of Banks and nature of this study, the researcher adopted census. It gave the investigator an opportunity to gain intensive knowledge about the problem of the study. It provides a higher degree of accuracy especially when the universe is small. Due to culture heterogeneity in the Target population, (Banks), this method was most suitable. The universe is small; therefore the method is most appropriate. In this research, Branch managers, operations managers and Teller attendants from each of the 43 Banks based at each Bank's Kenyan headquarter were purposefully picked as respondents. This research targeted all banks regulated by the Central Bank of Kenya.

3.6 Data Collection Instrument

Questionnaires were utilized in this study. Both primary and secondary data were used. The study used structured questionnaires to collect data. Commercial banks' accountants, managers and operations managers at the Banks' branch at its Kenyan headquarters constituted the respondents. Questionnaires were designed to collect data regarding organization culture, strategy operationalisation and organization performance.

Questionnaires were selected for data collection because they have the benefits of easy administration, anonymity and standardization of questions for the purpose of easing the data analysis procedure (Orodho, 2005). Structured questionnaires with both open and closed-ended items and a rating scale were used to collect primary data.

3.7 Piloting research instruments

Pilot study was used to improve the validity and reliability of research instruments. My two supervisors provided pretesting feedback on questionnaires.

Pilot study was a research project, small in scale but focused on respondents similar to those who would be used in the actual study. The focus was to establish reliability and validity of data collection instruments. This provided the necessary feedback to refine the questionnaires.30 respondents were picked from the target population for the purpose of pilot study .According to Hunt, Sparkman &Wilcox,(1998) a sample size of 12 to 30 is acceptable.

3.7.1 Validity of Instruments

Validity addresses the question of whether an instrument measurers what it purports to measure. Validity in research involves the following forms; Construct validity which is the extent to which a test measurers what it purports to measure. Bollen,(1989) posits that construct validity is a qualitative validity and assures that the indicators employed by the researcher define the concept under study. This type of validity could be categorized as content validity which is the extent to which a test measures all facets of the study. Criterion validity on the other hand concerns the extent to which a measure is related to an outcome of the study. Face validity concerns the extent to which a measure is perceived to measure what it purports to measure while internal validity relates to the extent to which the changes in dependent variable can be explained by independent and mediating variable.

External validity is concerned with extent to which the findings of the study can be generalized while statistical conclusion validity is the extent to which conclusions of the study are statistically reasonable. In this study, validity was established through pre-testing the questionnaire on 10 people with similar characteristics as the actual respondents. The respondents in the pre-testing were not included in the final study.

3.7.2 Reliability of Instruments

To discern reality, measurement of human behavior employs positivism (Smallbones & Quinton, 2004). This research took place in this paradigm and therefore measurement instruments were valid and reliable. Reliability is that part of a measure that is free of pure random error (Bollen, 1990). Reliability is consistency of measurement over time under varying conditions. Several factors can prevent measurement from being replicable. According to Nunnally (1978), the nature of test and how the test is used is a factor. This study will employ census and this will eliminate the errors attributable to sampling of items.

Clerical errors were minimized by writing items clearly & making questionnaire instructions clearly understandable. To establish internal consistency, estimates of reliability were based on average inter-correlations among all the single items within a test. More specifically, this research used coefficient alpha (Cronbach's alpha). According to Cortina (1993), Cronbach's alpha is useful in estimating reliability for item-specific variance in one-dimensional test. Reliability results on all study constructs are presented in Table 2.

Table 3.2.

Reliability of data collection instruments

Reliability Statistics

Variable/construct	Cronbach's Alpha	N of Items
Communicating strategy	0.891	4
Creating policy framework	0.867	4
Translating long-term strategic goals to short-term objectives	0.856	4
Learning and growth	0.861	5
Customer perspective	0.710	2
Internal process perspective	0.716	5
Family culture	0.692	3
Eiffel tower culture	0.621	3
Guided missile culture	0.848	3
Incubator culture	0.729	2

According to Nunnally (1978), reliability of 0.70 and above is a sufficient measure of reliability; in this regard, the instruments were deemed suitable for data collection since they met the 0.7 minimum threshold. The reliability results for family culture ($\alpha = 0.692$) and Eiffel tower culture ($\alpha = 0.621$) are close to 0.7 and are therefore acceptable.

3.9 Data Collection Procedures

A list of all commercial banks regulated by the CBK was prepared after which the contacts of the banks was obtained from their websites. All the 43 banks headquarter braches were visited by the researcher where the researcher held a meeting with the branch manager. Researcher introduced himself, presented his credentials as a PhD student from Kenya Methodist University and also presented the research permit from NACOSTI authorizing the research. The researcher explained the purpose of the research and how it would be of use to the banks. The researcher sought the assistance of the branch manager to distribute the questionnaires to the targeted respondents who were three (3) from each bank: the branch manager, operations manager, and a teller.

Simple random sampling was used to identify the teller to be a respondent where there were more than one teller in a particular commercial bank at the headquarter branch of the bank. Each bank branch has one branch manager and an operations manager. Upon agreement on the distribution of the questionnaires the researcher agreed with the bank on the appropriate time to pick the completed questionnaires. The time across all the banks ranged from one to two weeks.

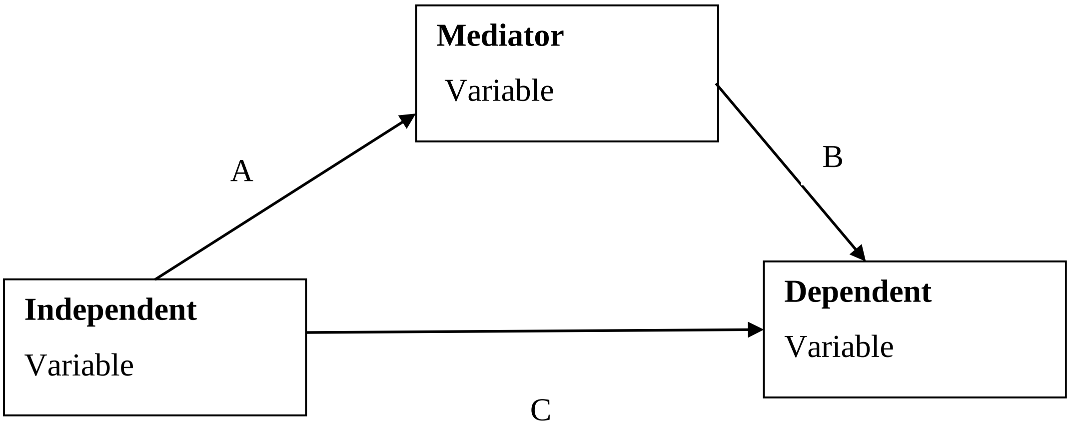
After collecting the questionnaires, 86 out of the targeted 126, they were grouped per bank, checked for completeness, numbered from 1 to 86 and coded. The coded questionnaire data was then entered into the computer and processed for data analysis.

3.10 Data Analysis Methods

Analysis is the process of interpreting the survey data. It involves establishing which variable to examine and what relationships to explore (Mutai, 2000). In this study, once totals, averages, and proportions were calculated. The data collected was edited, coded and analyzed using statistical package for social sciences (SPSS). The analysis outputs were presented in terms of pie-charts, tables and percentages. Pearson's correlation analysis was used to study relationships between variables. Baron and Kenny (1986) model was used to test for mediation. The analytical model was determined upon exploration of data collected and examination of whether a particular model's assumptions hold.

Figure 3.1

Baron and Kenny's, mediation testing



Source: Baron and Kenny (1986)

3.10.1 Measures of Variables

A structured questionnaire (Appendix III) was used to collect primary data on both the demographic characteristics of the respondents and on research variables were collected and analyzed. The demographic data included age, gender, marital status, highest education level, position in the organization and length of service in the bank while that on main research variables were collected on culture, strategy operationalisation and performance of the banks. While the sub constructs of culture were Family, Eiffel, Guided missile and Incubator cultures (Trompenaars, 1994), those for strategy operationalisation were communication of strategy, policy framework and translation of long term goals into short term objectives. In addition, performance was measured according to the balanced scorecard framework (Norton and Kaplan, 2000) comprising financial, customer perspective, learning and growth; and internal processes.

Strategy operationalisation. Strategy operationalisation was measured using three sub constructs: extent of communication of strategy in the bank, policy framework to support the strategy and extent to which long term goals had been translated into short term objectives. The extent of agreement on each of these sub constructs was anchored on a five –point Likert where *"Strongly agree" was coded "5", Agree, 4; Neither agree nor disagree (Neutral), 3; Disagree, 2 or "strongly disagree" as 1*. Each one of the three sub-constructs for strategy operationalisation was measured using four items each as follows:

***Organizational communication of strategy (four items: OC1 to OC4)*:** "*Company strategy is well communicated",* "*Mission of the company is understood across the firm", "Core values are clearly communicated", and "new strategic plan is well documented and communicated at all levels"*

Organization Policy framework (four items OPF1 to OPF4):"*There is a clear policy supporting all new activities"," Procedures are clear", "Rules to guide every action are clear", and "Programmes and projects to be implemented are well defined".*

Translating long term goals into short term objectives (four items: TLTG1 to TLTG4):*"Tasks and sub tasks are clearly defined", "Performance targets are clearly set", "Time schedules are well defined", and "Workers understand clearly the relationship between strategic objectives and their daily tasks".*

Organization Performance. The balanced scorecard framework was used for measuring performance of the banks. Both secondary and primary data were used to measure performance of the banks. While Audited Financial Data (secondary data) comprised the quantitative data for financial performance, qualitative performance data comprised data on learning and growth, customer perspective and internal process. For the following qualitative performance measurement variables, the extent of agreement on each of these sub-constructs was anchored on a five –point Likert scale where *"Strongly agree" was coded "5", Agree, 4; Neither agree nor disagree (Neutral), 3; Disagree, 2 or "strongly disagree" as 1*.

Learning and growth (five items: LG1 to LG5):*"Employees' trainings in this bank have increased in the last 5 years", "I have attended a professional Training in the last 5 year", "I have been assigned a mentor in the last 5 year", "I have learnt new skills to do my job", and "We are encouraged to innovate".*

Customer perspective (three items: CP1 to CP3). *"Customer base in the last five years has increased", "We roll out new products into the market frequently", and "Customer complaints have decrease significantly over the last 5 years".*

Internal processes (five items: IP1 to IP 5):*"Operations cost has significantly reduced over the last 5 years", "Time taken to solve transaction related problems in your bank in the last 5 years, has* decreased", "Th*e quality of our services has greatly improved", "The overall efficiency in our operations has increased", a*nd "*For the first five years, there has been a significant operational process improvement"*

Financial perspective.Audited financial data (secondary data) provide information on banks performance along financial perspective. Specifically, return on assets for three consecutive years for each commercial bank under study was calculated and the average for the three years was taken as a measure of banks performance under financial perspective. Return on assets (ROA) is an indicator of how profitable a bank is relative to its total assets. ROA is calculated by dividing Net income with total assets of the company. It is displayed as a percentage. Higher Return on assets value indicates higher performance.

Organization Culture. The influence of four culture types namely Family culture (F), Eiffel culture (E), Guided missile culture (GM) and Incubator Culture (I) were studied. Three item measures anchored on a five point Likert scale were used to measure each of the four culture types that were tested in the banks. The respondents were asked to indicate the extent to which each of the descriptors of each of the cultures manifested itself or applied in the bank. The coding of the responses were as follows: Strongly agree = 5, Agree=4, Neutral=3, Disagree=2 or strongly disagree=1

Family culture (three items: F1 to F3). "*People in this organization are person –oriented", "People embrace hierarchical order in this organization", and "Decisions madehere are centralized".*

Eiffel culture (three items: E1 to E3).* "There are many levels of supervision in this organization", "Responsibilities are highly defined,* and "there is little *tolerance to personal relationships in this organization".*

Guided missile culture (there items: GM1 to GM3). *"People here are task oriented", "Individual output is not easily measured", and "Work roles are not strictly defined".*

Incubator Culture (three items: IC1 to IC3)*. "In this organization people focus on themselves", Organization goals are secondary to individual goals", and "Creatively is strongly encouraged"*

3.10.2 Test for Suitability of Analytical Model

Linear regression analytical model was used because the research data satisfied the assumption of the classical linear regression model namely, linear relationship between culture and performance, absence of very strong correlations (multicollinearity) between predictor variables – the culture types, homogeneity of variance of error terms and normality of the organisation's performance and of strategy operationalisation which was used as a dependent variable in the test for mediation using Baron and Kenny (1986) procedure. The results of the model diagnostic tests are presented in Table 4.18 (linearity test), Table 4.19

(multicollinearity test), Table 4.20 (uniformity of variance of error terms) and Table 4.19 (normality of the distribution of data on variables). See appendix vii.

3.10.3 Analytical Models

In order to achieve the objectives of the study, three models were used to analyze the collected quantitative survey data as follows:-

Model 1: Direct effects model – Influence of culture on performance

$$y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \varepsilon_i \ldots \text{ Equation 1}$$

Where y and $\beta 0$ are respectively, performance and the constant of regression and $X1$ to $X4$ are respectively culture types, namely Family, Eiffel, Guided missile and Incubator cultures while $\mathcal{E}i$ is the error term.

Model 2: Influence of Culture on strategy operationalisation (culture predicting the mediator)

$$M = \alpha_0 + \alpha_1 x_1 + \alpha_2 x_2 + \alpha_3 x_3 + \alpha_4 x_4 + \mu i \text{ ....Equation 2}$$

In Equation 2, α_0 is constant of regression while x_1 to x_4 and y have their previous meanings as in Equation 1; M and μi are strategy operationalisation (mediating variable) and a random error term, respectively.

Model 3: Mediating effect of strategy operationalisation in the relationship between culture and performance

$$y_k = \lambda_{0ij} + \lambda_{1i} x_i + \lambda_{2j} M_j + \varepsilon_{ij} \quad \ldots \text{ Equation 3}$$

As shown in Equation 3, λ_{0ij} is the constant of regression when the i^{th}culture type and the j^{th}sub-variable of the mediator (strategy operationalisation) are used in the regression of the k^{th} performance indicator (financial, customer perspective, learning and growth, or internal process improvement).

Further$\lambda_{1i}$and λ_{2j} are regression coefficients while ε_{ij} is the error term. For example, $y_1 = \lambda_{011} + \lambda_{11}x_1 + \lambda_{21}M_1 + \varepsilon_{11}$ means that the regression of financial performance (y_1), the first indicator (sub variable) of performance on *"family culture"* (x_1) and *"communication of strategy"* (M_1) which are the first sub variable (dimensions) of culture and strategy operationalisation respectively.

3.10.4 Summated scores

Since each sub-variable of the research constructs was measured by more than one indicator (for example, guided missile culture was measured by three indicators) on a scale of 1 to 5, the scores were added to arrive at summated scores which were then used in the regression analyses. For example if the scores on guided missile culture (GM) were GM_1=3, GM_2=5 and GM_3=4) then the summated score that was used in the regressions was 3+5+4 = 12, that is, Summated score$= \sum_{i=1}^{3}(GM_i) = 12$; the same procedure was applied to all the qualitative variables that were anchored on a five-point Likert scale.

Table 3.3

Operational measures of variables

Variable	Type of Variable	Measure (sub-variable)	Scale	Level of measurement	No. of items	Code
Organization Culture	Independent	Family	Five-point Likert	Ordinal	3	F1 to F3
		Eiffel	Five-point Likert	Ordinal	3	E1 to E3
		Guided missile	Five-point Likert	Ordinal	3	GM1 to GM3
		Incubator	Five-point Likert	Ordinal	3	IC1 to IC3
Strategy operationalisation	Mediator	Organisation communication	Five-point Likert	Ordinal	4	OPC1 to OPC4
		Policy framework	Five-point Likert	Ordinal	4	OPF1 to OPF4
		Short term objectives	Five-point Likert	Ordinal	4	OPO1 to OPO4
Organization performance	Dependent	Financial	Net income/Total assets	Ratio	3	Average
		Customer perspective	Five-point Likert	Ordinal	3	CP1 to CP3
		Learning and Growth	Five-point Likert	Ordinal	5	LG1 to LG5
		Internal processes	Five-point Likert	Ordinal	5	IP1 to IP5

To determine the relationship between culture typologies with organization performance, correlation coefficients was determined. The significance of each relationship indicated the level of influence of each culture typology on the organization performance.

Assumptions of the analytical model

It was assumed that all variables are continuous. Mean was used for all variables, therefore error term was assumed to be normally distributed with mean as zero.

Regression of the dependent variable on the independent variable, to confirm that the independent variable was a significant predictor of the dependent variable was conducted.

Independent variable $\longrightarrow$ dependent variable

Regression of the mediator on the independent Variable to confirm that the independent

Variable was a significant predictor of the mediator was conducted. This must be significant.

Independent variable $\longrightarrow$ mediator

Regression of the dependent variable on both the mediator and independent variable to confirm that the mediator is a significant predictor of the dependent variable while controlling for the independent variable was conducted. This requires demonstrating that when the mediator and independent variable are used simultaneously to predict the dependent variable, the previously significant path between the independent and dependent variable (step 1) is now greatly reduced if not non-significant.

3.11 Ethical Considerations

Oso and Onen (2009) define ethical considerations are those practices which protect human dignity in research including informed consent of the participants, confidentiality and privacy of the participants and the researcher's responsibility on the outcomes of the research. Mugenda and Mugenda (2008) reiterate that research should be conducted carefully without causing physical or psychological harm to respondents through crude approaches.

The researcher endeavored to adhere to the ethical considerations demanded of the study. He sought a letter of introduction from Kenya Methodist University (KeMU) which was then presented to the National council for science and technology (NACOST) in order to obtain a permit authorizing the researcher to collect data for research purposes. The researcher further sought voluntary consent from the respondents before commencement of the data collection process. The anonymity of the respondents was ensured throughout the process while the findings have strictly been used for academic purposes. For the purpose of ensuring that truthfulness of responses, anonymity and confidentially, respondents not required to write their names on the questionnaires; further the respondents were allowed, if need be, to withdraw from the study at any time.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

In this chapter, results of data analysis, findings and discussions are presented. Both descriptive and inferential statistical methods were used to analyse data. Pearson's correlation analysis was used to establish the relationship among the study variables, while multiple linear regression was used to establish the influence of culture on permanence of banks, and the mediating effect of strategy operationalisation. This chapter begins with a presentation of results on characteristics of the respondents, followed by correlations then regressions and the mediation effects which are presented last.

4.2 Descriptive Results

This study sought to establish the characteristics of the respondents by examining their distribution by age, gender, marital status, level of education, position and the number of years served in the bank. Frequency distributions, means, standard deviations were used to present the demographic characteristics of the respondents. Demographic characteristics are important since they comprise properties of the respondents in the study to justify the appropriateness of the respondents for the kind of study carried out since characteristics such as level of education and position in the organization are important for ascertaining experience and level of knowledge necessary for assessment of strategy operationalisation, culture and performance of banks.

4.2.1 Response rate

This section descriptively analyzes the response rate of the study. The results are presented in Table 4.1.

Table 4.1

Response Rate

Description	Frequency	Percentage
Complete responses	86	66.67%
Incomplete responses	43	33.33%
Total	129	

Source: Researcher (2018)

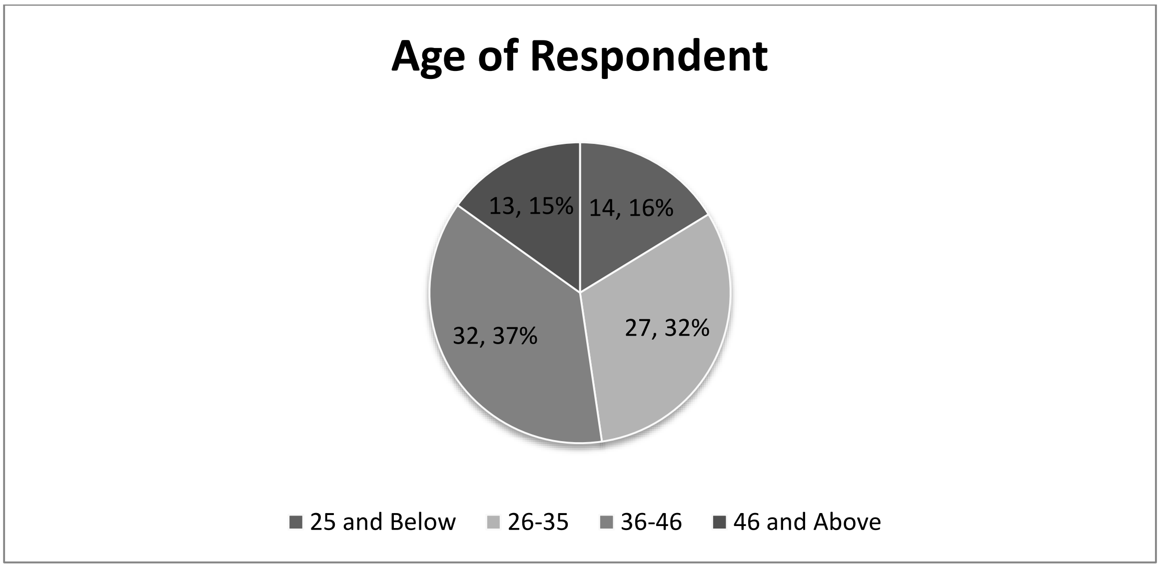
The target populations of this study were the 43 commercial banks operating in Kenya where 43 branch managers, 43 operations managers and 43 Teller attendants based at the Banks' branches at the headquarter offices were approached for the interview. Out of the 129 questionnaires, 86 were completed and returned. This represented a response rate of 66%.According to Mugenda and Mugenda (1999), 50% response rate is adequate, 60% good and above 70% very good. The response rate of 66% was thus good for this study.

4.2.2 Distribution of Respondents by Age

The researcher set out to collect data on the age distribution of the respondents among the commercial banks in Kenya. The results are presented in Chart4.1

Chart 4.1

Distribution of respondents by age



From Chart4.1, it is evident that the majority of the respondents were aged between 36-46years representing (37.2%) of the respondents. This was followed by those aged between 26 and 35 years being(31.4%) and 25 and below at (14%) while the minority were aged 46 and above This implied that different age brackets were represented in the study thereby allowing collection of data from respondents with a diverse range of cultural inclinations.

Table 4.2

Age in years

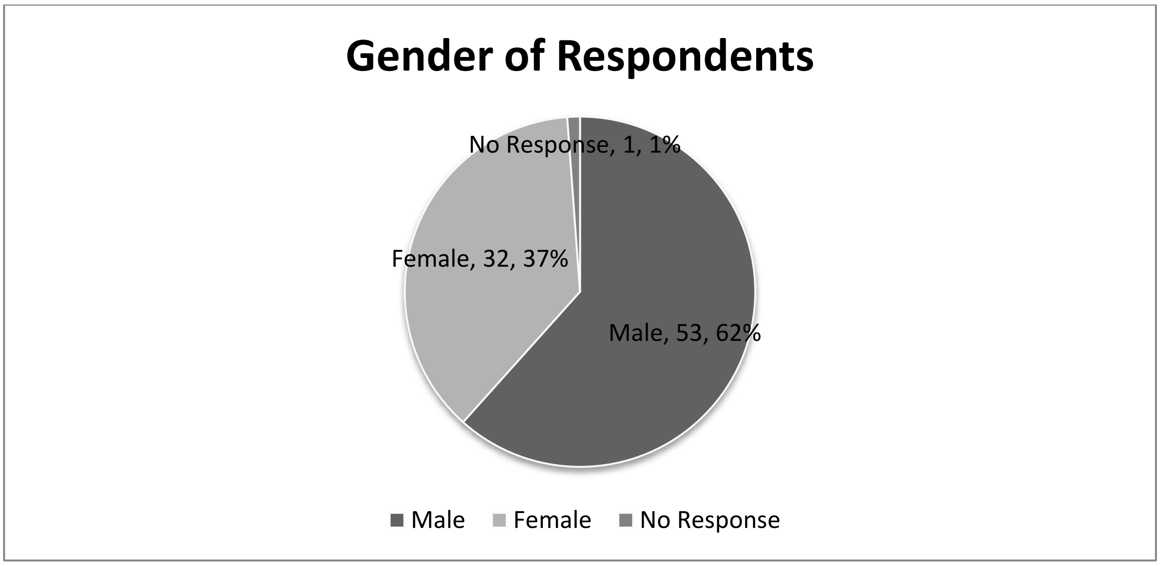
	Frequency	Percent	Cumulative Percent
25 and below	14	16.3	16.3
26-35	27	31.4	47.7
36-46	32	37.2	84.9
46 and above	13	15.1	100.0
Total	86	100.0	

4.2.3 Gender

It has been shown that the Gender of an individual can influence one's behaviour or attitude towards a phenomenon. One's gender similarly can influence his or her values and perceptions at the work place. A descriptive analysis of data on the gender distribution among bank employees was collected and the results are presented in Chart 4.2

Chart 4.2

Distribution respondents by gender



Out of 86 respondents, majority, 53 representing (62 %) were male while 32, being (37 %) of the respondents were female, whereas 1(1%) did not indicate the gender. Gender is an important factor since it can influence employees' perceptions about the company. The gender mix is also representative of the work-gender balance among commercial banks in Kenya albeit not being a major study item in this research.

Table 4.3

Distribution of respondents by gender

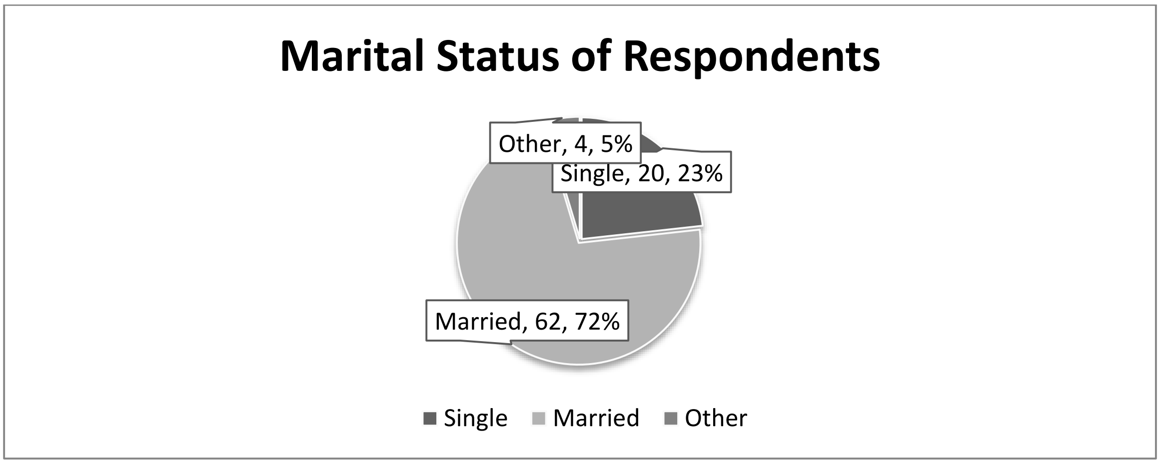
	Frequency	Percent
Male	53	61.6
Female	32	37.2
Total	85	98.8
Not indicated	1	1.2
	86	100.0

4.2.4 Marital status

The study also sought to further establish the demographics of the respondents by analyzing the marital status of respondents. The results are presented in Chart 4.3.

Chart 4.3

Distribution of respondents by marital status



The results from Chart 3 show that the majority (n=62; 72.1%) of the respondents were married while 23.3% (n = 20) were single; 4 (4.7%) did not indicate their marital status. Marital status is an important factor since it can influence employees' behavior at work.

Table 4.4

Distribution of respondents by marital status

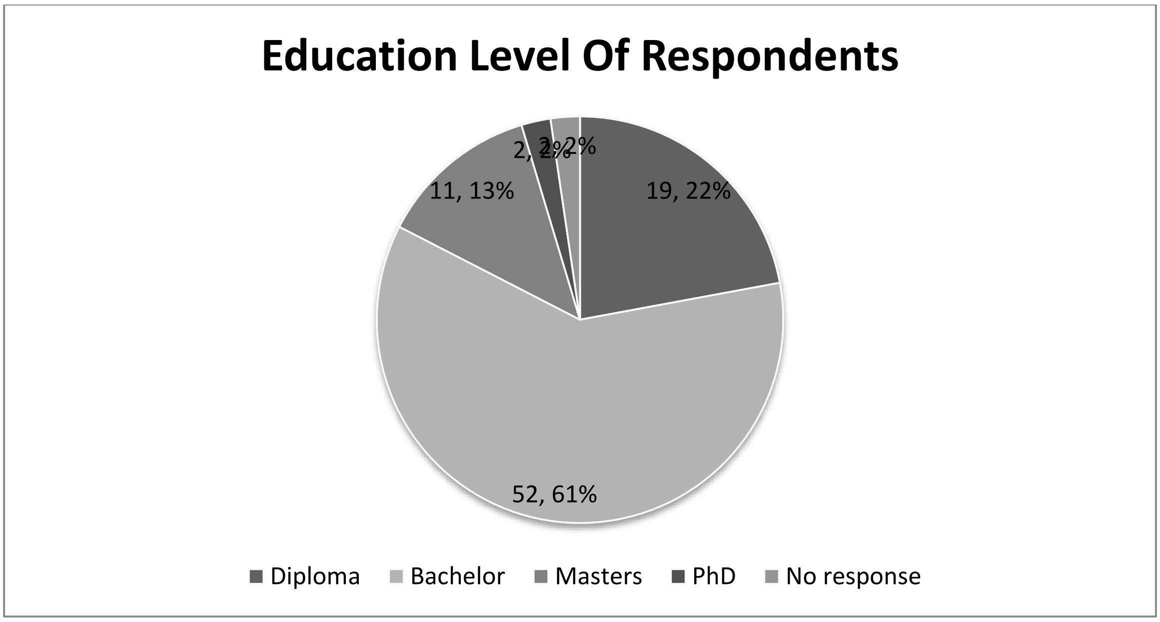
Marital status					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	20	23.3	24.4	24.4
	Married	62	72.1	75.6	100.0
	Total	82	95.3	100.0	
Missing	System	4	4.7		
Total		86	100.0		

4.2.5 Education level

An employees' level of education is an important factor that can influence employee perceptions at the work place. Higher level education can shape one's understanding of work place dynamics, including values and beliefs that exist at work place. The distribution of respondents by education level is presented in Chart 4.4.

Chart 4.4

Distribution of respondents by education level



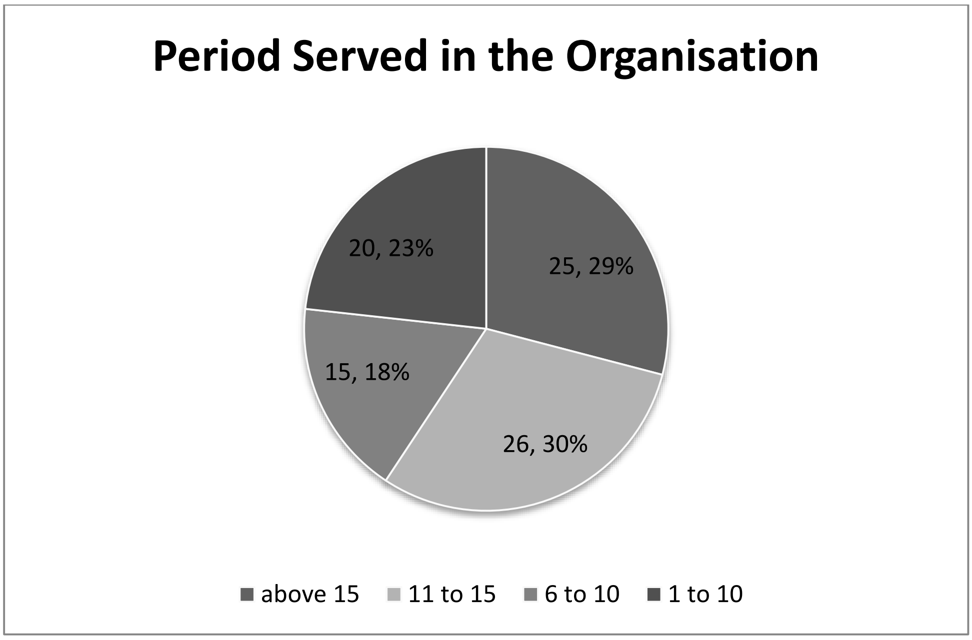
As shown in Chart 4, the respondents had bachelors degree were 52 (60.5%), 19 (22.1% % were diplomas holders, 11(12.8%) had a Masters degree, while only 2(2.3%) were PhD holders; a further two (2.3%) respondents did not indicate their education level. The larger percentages of the respondents were above undergraduate level and thus presenting an opportunity to embrace organizational culture in the bank. The study also assumes that they have a good conceptualization about the prevailing culture in their respective organizations.

4.2.6 Period served in the Organization

The study further sought to examine the period served in the organization as this can influence individuals' understanding of how the organization works; long term objectives, national politics and culture dimensions. Data on period served was therefore collected, analyzed and findings were presented on Chart 4.6.

Chart 4.5

Distribution of respondents by period served in the organization



The results in Chart 4.5 show that 26 (30.23%) of the respondents had served for a period of 11-15 years followed by those who had served for over 15 years at 25 (29.07%), then by those who had served between 1-5 years, 20 (23.26%) and finally the category with the least percentage, was 6-10years which had 15 respondents or 17.44% of the total respondents. This indicates that majority of the respondents are experienced in the job and an assumption that the information received for the study was reliable can be drawn. The distribution of respondents according to the period worked in the organisation is also shown in Table 4.5.

Table 4.5

Distribution of respondents by Period served in the organization

	Frequency	Percent	Cumulative Percent
1-5	20	23.3	23.3
6-10	15	17.4	40.7
11-15	26	30.2	70.9
above 15	25	29.1	100.0
Total	86	100.0	

The results in Table 4.5 indicate that 20 respondents had worked in the banks between 1 and 5 years with the majority being male. It was also found out that majority, of them held a bachelor's degree as their highest education level followed by those who held Diplomas while those with Doctorate degrees were the least at 2%. In the 6-10 years of service category, there were a total number of 86 respondents. Majority of them, were male at 61.2% followed by female who were 37.65%. It was also found that majority, of them had bachelors as their highest education level followed by those who had Masters, followed by those with diplomas and finally those with PhDs were the least of all.

This category constituted the least number of the respondents as compared to all the others.

Majority of the respondents, 26, had worked for a period of 11-15 years, with majority being male followed by female. It was also found that 12.8% had Master's Degree as their highest education level followed by those who had bachelors, followed by those who had diplomas and finally those who had PhDs.

The findings reveal that majority of the respondents were male majority of whom held bachelor's degrees as their highest education level. It was also observed that the level of education increased as the number of working years increased.

4.3 Prevalence of culture types in commercial Banks in Kenya

Data was collected and analyzed to establish the extent of practice of culture typologies in commercial banks.

4.3.1 Family culture practice in banks

The Family typology of culture is person oriented and hierarchical. The organization is run like a traditional home. There is an authority figure in charge of all important decisions. Data was collected on the extent to which family culture is practiced in the banks, and the results are presented in Table 4.6

Table 4.6

Family culture in commercial banks in Kenya

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Person-oriented employees	86	3.37	1.37	.148
Hierarchical order in organization	86	3.35	.79	.086
Centralized decisions	86	3.49	.76	.082

From the table above, higher responses were reported in regard to decisions 3.49 (SD = 0.76), followed by person oriented with a mean of 3.3721 (SD = 1.37) and hierarchical in organization with the lowest mean of 3.3488 (SD=0.79361).

According to Trompenaars and Hampden (1997), *Family* culture is person oriented, and hierarchical order is valued. The organization is run like a family and the authority figure makes most of important decision. Banks that practice this culture are rigid in decisions and employees focus on self-growth.

4.3.2 Eiffel Tower Culture in Banks in Kenya

In this type of culture, one's status in a firm is related to the roles played in the organization, and each level in the hierarchy has specific duties to supervise. The elements of this culture typology studied were levels of supervision, responsibilities definition and tolerance for personal relationships. Data was collected on the extent to which Eiffel culture is practiced in the banks, and results are presented in Table 4.8

Table 4.7

Eiffel tower culture practice in banks

	N	Mean	Std. Deviation	Std. error Mean
Levels of supervision	86	4.023	.840	.09056
Responsibilities definition	86	3.535	.793	.08547
Tolerance to personal Relationships	86	3.477	.836	.09018

From the table above, higher responses were reported in regard to level of supervision 4.023 (SD = 0.840), followed by responsibilities definitions with mean of 3.53 (SD = 0.793) and tolerance to personal relationships with the lower mean of 3.48 (SD = 0.84). The findings are in agreement with other studies. According to Trompenaars and Hampden – Turner (1997), Eiffel tower culture supports many levels of supervision, responsibility is well defined and very little tolerance to personal relationships. Professionalism is highly valued in the organizations.

4.3.3 Incubator culture practice in banks in Kenya

In this culture typology, people focus more on their life goals. Leadership roles are not ascribed. Creatively is highly encouraged. Data was collected on the extent to which incubator culture is practiced in commercial banks in Kenya. The results are presented in Table 4.9

Table 4.8

Incubator culture in banks

	N	Mean	Std. Deviation	Std. Error Mean
Self-focus	86	3.0116	.74351	0.8017
Organisational goals and individual goals	86	2.9651	.65833	0.7104
Encouraging creativity	86	3.2674	.69323	0.7475

Source: Research data (2017)

From the table 4.9, it can be concluded that high responses were reported in regard to creativity, self-focus and organizational goals and individual goals, 3.267 (SD = 0.69), 3.01 (SD = 0.74) and 2.97 (SD = 0.66) respectively. The findings are in agreement with Trompenaar&Hampden turner (1997) who found that individual interests override organization interests. According to the study, individuals in the organization focus on personal interest and use the organization just to achieve their own ends. Creatively is encouraged a in this culture. In banks dominated by Incubator culture, individuals grow while focusing less on organization growth. Room for creativity however can lead to creating of new products and new problem solving approaches. Alvession (1990) opines that culture can be used as a tool for achieving performance in organizations.

4.3.4 Guided missile culture practices in banks in Kenya

This culture is described by lack of strict role definition, tasks orientation and individual outputs that cannot be easily measured (Trompenaars &Hampden-Turnen, 1997). Data was collected on the extent to which banks practice guided missile culture. The findings are presented in Table 4.9.

Table 4.9

Guided missile culture practice in banks

	N	Mean	Std. Deviation	Std. Error Mean
Task oriented people	86	3.66	1.08	.116
Individual outputs	86	3.28	1.38	.148
Work roles clearly defined	85	3.31	0.873	.095

From the results in the table 4.9 above, higher responses were reported in regard to task orientation people, followed by work role definition and individual output, being the lowest with means of 3.66 (SD = 1.00), 3.31 (SD = 0.87) and 3.280 (SD = 1.38) respectively. These findings of this are in agreement with Trompenaars and Haupdin–(Turner, 1997) findings. The banks that dominantly have this culture have high employees' standards. Employees are highly professional and focus on high productivity while motivating one another.

4.3.5 Summary of descriptive results

Descriptive results showing the practice of the culture types, extent of strategy operationalisation and levels of performance realized as measured by the balanced score card is presented in Table 4.11.

Table 4.10

Summary descriptive results on culture, strategy operationalisation and performance

Descriptive Statistics

			Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	**Statistic**	**Statistic**	**Statistic**	**Statistic**	**Statistic**	**Std. Error**	**Statistic**	**Std. Error**
opc_1. Communication of company vision	86	2.00	5	4.08	0.723	-0.698	0.26	0.882	0.514
opc_2. Communication of company mission	86	2.00	5	4.12	0.710	-0.575	0.26	0.493	0.514
opc_3. Communication of core values	86	2.00	5	4.03	0.710	-0.453	0.26	0.29	0.514
opc_4. Communication of the strategic plan	85	2.00	5	3.82	0.889	-0.268	0.261	-0.699	0.517
Communication the strategy	***86***	***2.33***	***5***	***4.01***	***0.669***	***-0.036***	***0.26***	***-0.477***	***0.514***
opf_1. policy support by management	86	2.00	5	3.84	0.810	-0.1	0.26	-0.694	0.514
opf_2. Clear procedures	86	2.00	5	3.79	0.959	-0.138	0.26	-1.07	0.514
opf_3. Rules to guide every action are clear	86	2.00	5	3.43	1.133	0.078	0.26	-1.386	0.514
opf_4. Programmes and projects to be implemented are well defined	85	2.00	5	3.71	0.961	-0.361	0.261	-0.759	0.517
Policy framework	***86***	***2.25***	***5***	***3.69***	***0.819***	***0.441***	***0.26***	***-1.061***	***0.514***
OPO1. Tasks and sub tasks are clearly defined.	85	2.00	5	3.78	0.968	-0.5	0.261	-0.639	0.517
OPO2. Performance targets are clearly set	86	2.00	5	3.87	0.851	-0.218	0.26	-0.723	0.514
OPO3. Time schedules are well	86		5			-0.314	0.26	-0.465	0.514

defined		2.00		3.94	0.802				
OPO 4. Workers understand clearly the relationship between strategic objectives and their daily tasks	86	2.00	5	3.83	0.870	-0.198	0.26	-0.741	0.514
Translating long term goals into short term objectives	***86***	***2.50***	***5***	***3.86***	***0.735***	***0.338***	***0.26***	***-0.941***	***0.514***
LG1. Employees' trainings in this bank have increased in the last 5 years.	86	1.00	5	3.70	0.983	-0.116	0.26	-0.713	0.514
LG2. I have attended a professional Training in the last 5 year	85	2.00	5	3.71	0.936	0.269	0.261	-1.256	0.517
LG3. I have been assigned a mentor in the last 5 year	85	1.00	5	3.24	1.182	0.326	0.261	-1.266	0.517
LG4. I have learnt new skills to do my job.	81	2.00	5	3.79	0.847	0.167	0.267	-1.121	0.529
LG5. We are encouraged to innovate	86	1.00	5	3.65	0.991	-0.358	0.26	0.072	0.514
Learning and growth	***86***	***2.20***	***5***	***3.63***	***0.816***	***0.504***	***0.26***	***-1.064***	***0.514***
CP2. We roll out new products into the market frequently	85	2.00	5	3.52	0.895	0.099	0.261	-0.719	0.517
CP3.Customer complaints have decrease significantly over the last 5 years	86	2.00	5	3.88	0.788	-0.969	0.26	1.052	0.514
Customer perspective	**86**	**2.00**	**5**	**3.71**	**0.749**	**-0.172**	**0.26**	**0.252**	**0.514**
IP1 Operations cost has significantly reduced over the last 5 years	86	2.00	5	3.77	0.714	-0.816	0.26	0.907	0.514
IP2. Time taken to solve transaction related problems in your bank in the last 5 years, has decreased.	86	2.00	5	4.05	0.701	-0.274	0.26	-0.244	0.514
IP3.The quality of our services has greatly improved.	86	2.00	5	4.00	0.797	-0.714	0.26	0.457	0.514
IP4.The overall efficiency in our operations has increased	86	2.00	5	3.92	0.815	-0.249	0.26	-0.613	0.514

IP5.For the last five years, there has been a significant operational process improvement	85	3.00	5	3.92	0.352	***-1.221***	***0.261***	***4.471***	***0.517***
Internal processes	**86**	**2.80**	**4.8**	**3.93**	**0.477**	**0.324**	**0.26**	**-0.39**	**0.514**
F1. People in this organization are person –oriented	86	1.00	5	3.37	1.372	-0.369	0.26	-0.934	0.514
F2. People embrace hierarchical order in this organization	86	1.00	5	3.35	0.794	-0.281	0.26	0.836	0.514
F3. Decisions made here are centralized	86	2.00	5	3.49	0.763	0.203	0.26	-0.29	0.514
Family culture	***86***	***1.67***	***5***	***3.40***	***0.799***	***0.004***	***0.26***	***-0.873***	***0.514***
E1. There are many levels of supervision in this organization	86	2.00	5	4.02	0.840	-0.654	0.26	0.007	0.514
E2. Responsibilities are highly defined-responsibilities	86	1.00	5	3.53	0.793	-0.262	0.26	0.426	0.514
E3. No tolerance to personal relationships in this organization	86	1.00	5	3.48	0.836	-0.481	0.26	0.04	0.514
Eiffel tower culture	***86***	***2.00***	***5***	***3.68***	***0.621***	***-0.667***	***0.26***	***1.618***	***0.514***
GM1. People here are task oriented	86	1.00	5	3.66	1.080	-0.146	0.26	-0.815	0.514
GM2. Individual output is not easily measured	86	1.00	5	3.28	1.378	-0.189	0.26	-1.111	0.514
GM3. Work roles are not strictly defined	85	1.00	5	3.31	0.873	-0.095	0.261	-0.346	0.517
Guided missile culture	**86**	**1.67**	**5**	**3.42**	**0.979**	**0.229**	**0.26**	**-1.318**	**0.514**
IC1. In this organization people focus on themselves-self focus	86	1.00	5	3.01	0.744	0.333	0.26	1.784	0.514
IC2. Organization goals are secondary to individual goals-individual goals	86	2.00	5	2.97	0.659	0.795	0.26	1.941	0.514
Incubator culture	**86**	**1.50**	**5**	**2.99**	**0.623**	**0.419**	**0.26**	**2.265**	**0.514**

Valid N (listwise)	85

The summary descriptive results table (Table 4) shows that data on all variables was normally distributed except for one item of internal process “For the last five years, there has been a significant operational process improvement, IP5”. However, its effected was cancelled out because the aggregate mean on internal processes was normally distributed.

4.4 Strength of Relationships between Culture, Strategy operationalisation and Performance

The strength of the relationship among the study variables was examined using Pearson product moment correlation analysis and the results are presented in Table 4.11.

4.4.1 Strength of relationships between culture and performance

In order to establish the strength of the relationship between culture typologies (Family, Eiffel tower, Guided Missile and Incubator) and performance, Pearson’s product moment correlation was used in each case against the four indicators of performance: return on asset, transaction efficiency, number of professional trainings and customer growth (Table 4.12).

Table 4.11

Relationship between culture and performance

		Returns of assets	Transaction efficiency	Number of professional trainings	Customer growth rate
Family	Person orientation	***-0.324***	-0.060	-0.118	-0.043
		0.003	0.583	0.280	0.697
	Hierarchical order in the organisation	***0.555***	-0.117	***-0.250***	-0.129
		0.000	0.283	***0.025***	0.237
	Decisions making autonomy	-0.196	0.004	***-0.299***	***-0.247***
		0.077	0.970	***0.005***	***0.022***
Eiffel Tower	Level of supervision	-0.037	**0.270**	-0.081	-0.128
		0.742	**0.012**	0.461	0.239
	Responsibilities	-0.093	0.030	***-0.221***	***-0.376***
		0.404	0.782	***0.041***	***0.001***
	Tolerance	***0.354***	0.196	0.156	0.075
		0.001	0.700	0.151	0.495
Guided missile	Task oriented people	***0.728***	***0.322***	0.511	***0.592***
		0.000	***0.003***	0.001	***0.000***
	Individual outputs	***0.548***	0.188	0.474	***0.502***
		0.000	0.084	0.000	***0.000***
	Work definition	***0.580***	0.118	0.193	***0.273***
		0.000	0.307	0.079	***0.011***
Incubator	People focus	-0.196	***-0.284***	-0.088	-0.156
		0.078	***0.008***	0.422	0.157
	Goals	***-0.311***	-0.201	-0.211	-0.030
		0.004	0.064	0.051	0.780
	Creativity	-0.200	*-0.211*	-0.111	0.178
		0.071	*0.052*	0.309	0.100
		82	86	86	86

From the results in Table 4.12, the culture that has the strongest relationship with return on assets (ROA) is the guided missile culture type. Further, it is this culture type that has the strongest positive correlation with all the dimensions of performance as measured using the balanced score card framework. On the other hand, family and incubator cultures have a negative significant correlation with transaction efficiency (incubator culture) and ROA (family culture).

Family culture. This culture is described by person orientation, hierarchical order and decision making autonomy. From the results in Table 4.12, there was overall negative relationship between person-orientation culture and all four indicators of performance. Transaction efficiency recoded highest negative relationship ($r= -0.600$, $p<0.001$) with person orientation element of family culture. Decision making had a positive insignificant relationship ($r= -0.004$, $p>0.05$) with transaction efficiency while it had negative significant relations with professional trainings and customer growth ($p<0.05$). Adherence to hierarchical order in the organisation had a strong positive relationship ($r=0.555$, $p<0.001$)) with return on assets.

Eiffel Tower culture. Eiffel tower culture is described by support for many levels of supervision, responsibility and tolerance for personal relationships. Overall, level of supervision is insignificantly ($p>0.05$) related with return on asset($r=-0.037$), number of professional trainings ($r = -0.081$), and customer growth ($r = -0.128$); but it is significantly related with transaction efficiency ($r = 0.270$, $p = 0.012 < 0.05$). Responsibility definition was insignificantly ($p > 0.05$) related with return on assets and transaction efficiency; while it is negatively and significantly related with the number of professional trainings ($r = -0.221$, $p < 0.05$), and customer growth ($r= -0.376$, $p < 0.05$).

Tolerance to personal relationships was positively correlated with all indicators of performance but the relationship was only significant with return on assets ($r = 0.354$, $p < 0.05$); relationship with other indicators of performance was insignificant ($p > 0.05$).

Guided missile culture. This culture is defined by level of task orientation among employees, individuals output’s, ease of measurement and work roles not strictly defined. Correlation analysis between these characteristics and indicators of performance was carried out. Tasks orientation was positively correlated to return on asset ($r = 0.728$, $p < 0.001$), on transaction efficiency ($r = 0.322$, $p < 0.05$), number of professional trainings ($r = 0.511$, $p < 0.001$) and on customer growth ($r = 0.592$, $p < 0.001$). Individual output was positively and significantly related to return on asset ($r = 0.548$, $p < 0.001$), number of professional trainings ($r = 0.474$, $p < 0.05$) and on customer growth ($r = 0.502$, $p < 0.001$).but insignificantly related with transaction efficiency ($r = 0.188$, $p > 0.05$), and number of professional trainings ($r = 0.188$, $p > 0.05$). Further, work role definition, had positive significant correlation with return on asset ($r = 0.580$, $p < 0.001$), and customer growth ($r = 0.273$, $p < 0.05$). However, it had insignificant ($p > 0.05$) with transaction efficiency ($r = 0.118$, $p > 0.05$), and number of trainings ($r = 0.193$, $p > 0.05$).

Incubator culture. This culture was negatively related to indicators of performance. Self-focus was negatively and insignificantly ($p > 0.05$) correlated with return assets, number of trainings and customer growth but it was significantly related with transaction efficiency ($r = 0.289$, $p < 0.05$). Personal goals were negatively correlated to return on asset ($r = -0.311$, $p < 0.01$), transaction efficiency ($r = -0.201$, $p < 0.1$), number of trainings ($r = -0.211$, $p < 0.1$) and $r = -0.03$, $p > 0.05$) on custom growth. Creativity aspect of incubator culture was negatively and insignificantly ($p > 0.05$) related with all the four indicators of performance in banks.

All the four culture typologies were significantly related with banks performance. Guided missile culture had highest positive correlation with performance. Its characteristics, task orientation and having “whatever it takes” attitude could be the contributing factor.

Eiffel culture was also positively correlated with performance in banks. Many levels of supervision are favoured by the culture, with each level having specific duties to supervise and well defined responsibilities which help employees to remain focused. There is no tolerance to personal relationships and employees are evaluated on performance which enhances organization performance. Family culture typology was negatively related with banks' performance. Its characteristics such as person orientation and individual's interest overriding organization interests might have negatively affected performance in banks.
Leaving decision making to top managers only leads to bureaucracy which might have affected agility of banks in a dynamic business environment, thus negatively affecting performance.

Incubator culture was also negatively associated with bank's performance, while creativity aspect was positively associated with customer growth. Employees' focus on self-growth and pursuing individual interests had negative effects on return on asset, transaction efficiently and number of professional trainings in the banks. The findings are in agreement with the study by Trompenaars and Hampden-Turner (1997) and Quinn and Cameroon (1999). These studies posit that organizations have diverse cultures but the dominant culture will significantly influence organizations' performance; in this study, the guided missile culture had the strongest positive relationship with performance of the banks.

4.4.2 Relationship of Culture, strategy operationalisation and performance

To determine the relationship among the three variables of the study, namely bank performance, strategy operationalisation and organization culture, Pearson product moment correlation analysis was conducted; the results are presented in Table 4.12. It is noted that strategy is implemented through organization communication, policy framework and short term objectives setting. Strategy operationalisation is the mediating variable in this study between culture and performance of commercial banks.

The results of the analysis of the relationship between culture and strategy operationalisation are presented in Table 4.12.

Table 4.12

Correlation analysis on Bank performance, Strategy operationalisation and Culture

		Culture Types				Strategy operationalisation		
BSC Reference		Family	Eiffel tower	Guided missile	Incubator	Organization Communication	Policy framework	Short-term objectives
Financial	Return on assets	-0.345	0.186	0.663	0.024	0.332	0.475	0.406
		0.002	0.094	<0.001	0.032	0.002	<0.001	<0.001
Internal process	Transaction efficiency	0.063	0.260	0.270	0.273	0.390	0.257	0.306
		0.564	0.013	0.012	0.011	<0.001	0.017	0.004
Learning and growth	Professional trainings	0.18	0.046	0.527	-0.11	0.666	0.737	0.629
		0.098	0.671	<0.001	0.314	<0.001	<0.001	<0.001
Customer perspective	Customer growth rate	-0.470	-0.077	0.580	0.031	0.6533	0.802	0.633
		0.007	0.484	<0.001	0.778	<0.001	<0.001	<0.001
Strategy operationalisation	Organization communication	-0.076	0.053	0.332	0.088	1	0.717	0.607
		0.489	0.625	0.002	0.421	-	<0.001	<0.001
	Policy framework	-0.159	-0.175	0.582	-0.069	0.717	1	0.714
		0.143	0.106	<0.001	0.526	<0.001	-	<0.001
	Short-term objectives	0.117	-0.07	0.600	-0.209	0.607	0.714	1
		0.286	0.524	<0.001	0.054	<0.001	<0.001	-
	N	86	86	86	86	86		86

Culture and performance. Incubator culture only significantly supports transaction efficiency ($r = 0.273$, $p = 0.011 < 0.05$), while, guided missile culture is significantly correlated with all dimensions of the performance with strongest correlation being between return on assets ($r = 0.663$, $p < 0.001$), followed by customer growth ($r = 0.580$, $p < 0.001$)

Strategy operationalisation and performance. All strategy operationalisation variables are significantly correlated with performance. The weakest relationship is between strategy operationalisation and transaction efficiency while the strongest relationship is between strategy operationalisation and customer growth. The decreasing order of the strength of the relationship between strategy operationalisation and performance is customer service, learning and growth, financial and lastly transaction efficiency. The strongest relationship is between policy framework and customer growth ($r = 0.802$, $p < 0.001$).

These findings are supported by previous studies such as Tubby and Hain (1979), who established that there consistent and strong organization communication increases organization effectiveness. Dubrin (2012) argues that goals and objectives improve and sustain performance in organizations.

4.4.3 Relationship between culture and strategy operationalisation

We now examine the strength and significance of the relationship between culture type and strategy operationalisation. The results (Table 4.13) also suggest that family cultures were insignificantly ($p > 0.1$) correlated with strategy operationalisation. Only the guided missile culture has a strong significant relationship with strategy operationalisation. These results imply that *Family* cultures which is person oriented and favours centralization will not be conducive for effective organization communication, which leads to poor strategy operationalisation and poor performance. Further, short term objectives were positively related to guided missile cultures ($r = 0.600$, $p < 0.001$).This shows that people who are task oriented tend to embrace organization objectives. This could lead to superior performance. This study suggests that the guided missile culture ($p < 0.01$) and to a very less extent incubator culture ($p < 0.1$) significantly support strategy operationalisation. According to the results (Table 4.12), there was a strong relationship ($r = 0.582$, $p < 0.001$) between policy framework and guided missile culture. The relationship between short term objectives setting and guided missile culture, was similarly strong ($r = 0.600$, $p < 0.001$).

Further, the study indicates that organization culture has a relationship with strategy operationalisation. Family culture insignificantly influences organization communication. This could be due to the fact that, Family culture is characterized by hierarchy, bureaucracy and decisions made by top management may seem not to encourage organization communication.

These findings thus reveal that there exists relationship between organization culture and strategy operationalisation. Family culture associated with hierarchical order means important decisions made by top management, may not enhance free flow of information and hence negatively affects organization communication. Incubator cultures in which employees seek self-fulfillment may not support company policy which advances company interest, hence the negative association. The results thus show that there exists a significant relationship between organization culture in banks, strategy operationalisation and performance. The findings are supported by previous studies such as Denis and Roulam (2007) who found that strategy is implemented through social interactions, routines and conversations through which managers project a direction for their firms and prepare the firm to execute it.

The findings are supported by previous studies such as Denis and Roulam (2007) who opine that strategy is implemented through social interactions, routines and conversations through which managers project a direction for their firms and prepare the firm to execute it.

Guided missile culture had a positive relationship with policy setting. Characterized by “whatever it takes” attitude, this culture supports policies made which in turn support, performance. Guided missile culture is task oriented and probably this is why it has a positive relationship with short- term objectives settings. This finding is consistent with Dubrin (2012) who argues that goals and objectives improve and sustain performance in organizations.

Further, the variance in relationship among the cultures and strategy operationalisation on one hand; and with performance on the other, imply that the different cultures impact strategy operationalisation differently, negative or positive further echoing the findings by Buul (2010) who observed that focusing on prevailing culture during strategy operationalisation is an integral of strategy implementation.

4.5 Influence of organization cultures on banks’ performance

To examine the effect of organization cultures on banks’ performance in Kenya, the researcher collected data and through regression analysis determined the strength of relationship between cultures and the four indicators of performance; return on assets, customer growth, transaction efficiency and professional training.

4.5.1 Organization culture and return on asset

Tables 4.13 (a, b, c) show the strength of the relationship between the organization culture and return on assets. Table 4.13 (b) reveals that the relationship is significant. Family and Incubator cultures are negatively associated with return on assets, while Eiffel and Guided Missile cultures are positively related with return on asset. The four culture typologies however are significantly related with return on assets. For a bank to record better performance in terms of return on assets, the strategic focus should be on the Eiffel and Guided Missile Cultures. This is because this study indicates that these culture type support strategy operationalisation hence high strategic success.

Table 4. 13a

ANOVA

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	57.535	4	14.384	39.632	.000[b]
	Residual	27.946	77	.363		
	Total	85.482	81			

a. Dependent Variable: return on assets
b. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

The ANOVA Table 4.13 (a) shows that all the culture types, when combined, are significant ($F=39.632$, $p<0.001$) in explaining variation in performance of banks that the regression model was significant.

Table 4.13b.

Regression Coefficients

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	1.595	.765		2.085	.040
	Family	-.500	.082	-.400	-6.068	.000
	Eiffel tower	.172	.110	.110	1.569	.121
	Guided missile	.646	.059	.713	10.866	.000
	Incubator	-.338	.133	-.177	-2.533	.013

a. Dependent Variable: return on assets

Incubator culture is negatively influences return on assets. In this culture, the employees focus on their own interest as opposed the interests of the organization and this is the reason why it negatively influenced profitability of the firm. Similarly, family culture in which organization is run like a traditional home has a negative relationship with return on assets. Bureaucracy associated with this culture negatively affects the performance of banks, in relation to return on asset. From the findings, the researcher concludes that Family culture negatively affects the returns on assets in banks. This is because this culture typology has a strong emphasis on bureaucracy which stifles free flow of information and does not encourage feedback thereby inhibiting open and informed execution of strategy (Trompennaars, 1994).

Table 4.13c.

Model summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.820[a]	.673	.656	.60244

a. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

The model summary, Table 4.13(c) indicates adjusted R value of 0.656, meaning that 66% of variation in return on asset was explained by the model variables.

4.5.2 Effects of cultures on Customer growth

The researcher also sought to examine the effects of culture on customer growth at the banks. To this end, data was collected and analyzed through regression analysis to establish the strength of relationship. Table 4.14(a) indicates that all the repressors: four culture typologies combined are significant in relation to customer growth. Table 4.14(b) shows the coefficients.

Table 4.14(a).

ANOVA in customer growth due to organisational cultures

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.876	4	4.469	10.859	.000[b]
	Residual	33.334	81	.412		
	Total	51.209	85			

a. Dependent Variable: customer growth rate

b. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

From the ANOVA results (Table 4.14a), the four culture typologies (Incubator, Guided missile, Family, Eiffel tower) very significantly (F=10.859, p<0/001) explained variation in customer growth in the commercial banks.

Table 4.14(b).

Regression Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	2.632	.787		3.346	.001
	Family	-.092	.083	-.100	-1.112	.269
	Eiffel tower	-.064	.114	-.054	-.561	.576
	Guided missile	.410	.063	.586	6.509	.000
	Incubator	.025	.139	.018	.183	.855

a. Dependent Variable: customer growth rate

Family and Eiffel cultures had a negative insignificant influence on customer growth, while Guided missile and Incubator cultures positively affect customer growth. The influence of Eiffel, Incubator and Family cultures on customer growth is not significant at 5% significance ($p > 0.05$) while only that of Guided Missile culture is significant ($\beta = 0.410$, $t = 6.509$, $p < 0.001$).

Table 4.14c

Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.591[a]	.349	.317	.64150

a. Predictors: (Constant), Incubator, Guided Missile, Family, Eiffel

The results in the Model summary, Table 4.14(c), indicate that 32% of variations in customer growth was explained by the four culture types – incubator, guided missile, Eiffel tower and family culture. While the study indicates that 32% of variation in customer growth is explained by the model variables 68% of variations in customer growth are attributable to other variables that management should seek to establish

(Cameron & Quinn, 1990). They suggest that banks must sustain and encourage sustainable cultures that support advancement of their visions or risk collapse. As Robert and Dowling (2002) observe, companies with strong cultures have a history of superior performance and sustainable competitive advantage. The banks should therefore firmly commit to promoting cultures that support, supplement and sustain their existing and future corporate goals.

4.5.3 Effect of Culture on Transaction efficiency

In order to establish the strength of the influence of organization culture and transaction efficiency in banks, data was collected and analyzed using linear regression analysis. The results are presented in Table 4.15a, b and c.

Table 4.15(a).

ANOVA in Transaction efficiency due to organisational cultures

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.029	4	2.007	4.714	.002[b]
	Residual	34.494	81	.426		
	Total	42.523	85			

a. Dependent Variable: Transaction efficiency
b. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

The ANOVA results Table 4.15 (a) shows the combined influence of the four culture (Eiffel, Family, Guided Missile and Incubator) on transaction efficiency which is significant (sig 0.000). This means that prevailing culture in a firm can influence performance. This is in agreement with Alvesson (1990) who found that organization culture can be used as a tool of achieving performance.

Table 4.15 (b).

Regression coefficients for Transaction efficiency on cultures

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	3.204	.800		4.005	.000
	Family	-.049	.084	-.059	-.582	.562
	Eiffel tower	.223	.116	.205	1.915	.059
	Guided missile	.180	.064	.283	2.818	.006
	Incubator	-.262	.141	-.199	-1.858	.067

a. Dependent Variable: Transaction efficiency

Table 4.15 (b) family and incubator cultures have a negative relation with transaction efficiently, while Eiffel and guided missile cultures have a positive relationship with transaction efficiency However the influence of family culture on transaction efficiency was negative but not significant at $p < 0.05$ but it was significant at $p < 0.1$ as was also the case with incubator culture ($\beta = -0.262$, $t = -1.858$, $p = 0.067 < 0.1$).

Table 4.15(c).

Model Summary for Transaction efficiency on Cultures

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.435[a]	.189	.149	.65257

a. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

Model summary Table 4.15(c) indicates that 41% of variation in transaction efficiency is explained by model variables.

4.5.4 Effect of organization cultures on Number of professional trainings

Through regression analysis, the study sought to establish the strength of relationship between culture topologies in the organization and bank performance in relation to number of professional trainings. The findings are presented in Tables 4.16a, b and c.

Table 4.16 (a).

ANOVA in professional trainings due to organization culture types

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.051	4	2.263	10.304	.000[b]
	Residual	17.787	81	.220		
	Total	26.837	85			

a. Dependent Variable: Number of professional trainings
b. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

The results in Table 4.16 (a) show that the influence of the combined organization culture types on the number of professional trainings (a measure of learning and growth perspective of the BSC) is significant with a p-value less than 0.05 ($p < 0.001$).

Table 4.16(b).

Influence of organizational culture types on profession trainings

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	3.864	.575		6.725	.000
	Family	-.144	.060	-.217	-2.381	.020
	Eiffel tower	.020	.084	.023	.238	.813
	Guided missile	.276	.046	.546	6.010	.000
	Incubator	-.092	.101	-.088	-.913	.364

a. Dependent Variable: Number of professional trainings

Table 4.16(b) shows the regression coefficients with the results showing that Family and Incubator cultures negatively influence number of professional training. And the relationship between family culture and number of professional training is significant, with a p-value, less than 0.05. However, the incubator culture was insignificant (β = -0.092, t = -.913, p=0.364>0.05) on the number of professional trainings (learning and growth).

Eiffel and Guided Missile cultures are positively related with the number of professional trainings. The relationship between Eiffel culture and number of professional trainings is not significant. However the effect Guided missile culture on the number of professional training is significant, with p-value of less than 0.05. Guided missile culture which is task oriented and favors decentralization encourages employees' empowerment and hence positive influence on professional training, compared with Eiffel culture which is biased to bureaucracy and does not support employees' empowerment.

Table 4.16(c).

Model summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.581[a]	.337	.305	.46860

a. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

Table 4.16 (c) indicates that 31% of variation in the number of professional trainings was significantly explained model variables, namely Incubator, Guided missile, Family, and Eiffel tower cultures.

4.6 Summary Results of the Influence of culture on Performance

The influence of culture on the four perspectives of performance measurement (financial, learning and growth, internal processes and customer perspectives) were tested using regression analysis.

4.6.1 Variation in Permanence explained by Organizational Culture

The amount of performance explained by culture types across the four perspectives of the balanced scorecard performance measurement framework is presented in Table 4.17.

Table 4.17

Amount of variation in performance explained by organizational culture

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Learning and growth	.680[a]	0.462	0.434	0.613
Customer perspective	.518[a]	0.269	0.232	0.486
Internal process	.569[a]	0.324	0.289	0.402
Financial perspective	.841[a]	0.708	0.692	0.562

a Predictors: (Constant), Incubator Cultures, Guided Missile Culture, Family Culture, Eiffel Tower Culture

In decreasing order the results (Table 4.17) indicate that the highest variation in performance was on financial perspective (R^2 = 0.708), followed by learning and growth (R^2 = 0.462), then internal processes (R^2 = 0.324) and lastly, customer perspective (R^2 = 0.269). This implies that the combination of the four culture types (family, Eiffel tower, guided missile and incubator) respectively explained 70.8%, 46.2%, 32.4 and 26.9% of variation in financial, learning and growth, internal processes and customer perspectives of banks performance.

4.6.2 Significance of the Analytical Models

Model fit statistics (F-statistic) rising from the regression of performance on culture types are presented in Table 4.18.

Table 4.18.

Model fit statistic

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.527	4	6.132	16.325	.000[b]
	Residual	28.546	76	0.376		
	Total	53.074	80			
a Dependent Variable: Learning and growth						
2	Regression	6.856	4	1.714	7.26	.000[b]
	Residual	18.652	79	0.236		
	Total	25.508	83			
a Dependent Variable: Customer Perspective						
3	Regression	6.112	4	1.528	9.445	.000[b]
	Residual	12.781	79	0.162		
	Total	18.893	83			
a Dependent Variable: Internal Process						
4	Regression	58.028	4	14.507	45.99	.000[b]
	Residual	23.973	76	0.315		
	Total	82.002	80			
a Dependent Variable: Financial performance						

b Predictors: (Constant), Incubator Culture, Guided missile culture, Family culture, Eiffel tower culture

From the model fit statistics (Table 4.18), culture significantly explains variation in performance across the four perspectives of performance, namely learning and growth, customer perspective, internal processes and financial performance. The most significant variation was in financial performance (Model 4: $F = 45.99$, $p < 0.001$) followed by learning and growth (Model 1: $F = 16.325$, $p < 0.001$), then internal process (Model 3: $F = 9.445$, $p < 0.001$) and lastly customer perspective of performance (Model 2: $F = 7.26$, $p < 0.001$).

4.6.3 Relative influence of culture type on Performance and Collinearity diagnostics

Coefficients of regression for the influence of culture on performance and the collinearity statistics are presented in Table 4.19.

Table 4.19.

Coefficients of regression of performance on organization culture types

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.009	0.807		4.965	<0.001		
	Family Culture	-0.200	0.085	-0.201	-2.351	0.021	0.966	1.036
	Eiffel Tower Culture	-0.190	0.118	-0.140	-1.601	0.114	0.923	1.084
	Guided Missile Culture	0.489	0.072	0.579	6.744	<0.001	0.96	1.042
	Incubator Cultures	-0.228	0.161	-0.123	-1.420	0.16	0.937	1.067

a Dependent Variable: Learning and growth

2	(Constant)	3.232	0.609		5.304	<0.001		
	Family Culture	-0.095	0.067	-0.138	-1.407	0.163	0.966	1.036
	Eiffel Tower Culture	0.168	0.089	0.189	1.893	0.062	0.927	1.078
	Guided Missile Culture	0.235	0.055	0.417	4.289	<0.001	0.981	1.019
	Incubator Cultures	-0.224	0.122	-0.184	-1.836	0.07	0.924	1.082

a Dependent Variable: Customer Perspective

3	(Constant)	4.21	0.505		8.33	<0.001		
	Family Culture	-0.101	0.056	-0.169	-1.792	0.077	0.959	1.043
	Eiffel Tower Culture	-0.053	0.074	-0.069	-0.713	0.478	0.927	1.078
	Guided Missile Culture	0.236	0.045	0.486	5.196	<0.001	0.978	1.022

	Incubator Cultures	-0.178	0.101	-0.17	-1.76	0.082	0.924	1.083

a Dependent Variable: Internal Process

4	(Constant)	1.467	0.717		2.045	0.044		
	Family Culture	-0.467	0.081	-0.367	-5.801	<0.001	0.964	1.038
	Eiffel Tower Culture	0.211	0.103	0.132	2.045	0.044	0.928	1.077
	Guided Missile Culture	0.707	0.064	0.695	11.119	<0.001	0.985	1.015
	Incubator Cultures	-0.428	0.145	-0.191	-2.949	0.004	0.917	1.091

a Dependent Variable: Financial performance

b Predictors: (Constant), Incubator Cultures, Guided Missile Culture, Family Culture, Eiffel Tower Culture

One of the assumptions of linear regression models is that the predictor variables should not exhibit very strong correlation coefficients which would lead to the problem of multicollinearity. The collinearity statistics results in Table 4.19 show that there was no multicollinearity (that is the predictor variables were sufficiently independent of each other since the variance inflation factor VIF was less than 5 (VIF <5) and the corresponding tolerance was greater than 0.2 (Tolerance >0.2).

4.7 Influence of Organization culture and Strategy operationalisation

The strength of the relationship between organization culture and the three dimensions of strategy operationalisation, namely policy framework, organization communication and short-term goals was studied.

4.7.1 Influence of Organisational Culture on policy framework

Data was collected, and through regression analysis the strength of relationship between cultures and policy frame work was studied. The findings are presented in table (4.20a, b, and c). The ANOVA Table 4.20(b) shows that the combined regressors are significant, with a p-value less than 0.05. From the table of coefficients, Table 4.20 (a) family, Eiffel tower and guided missile cultures have a significant relationship with policy frame work with a p-value of less than 0.05.

Table 4.20 (a).

Influence of organization culture on policy framework

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	4.488	.796		5.639	.000
	Family	-.210	.084	-.213	-2.510	.014
	Eiffel tower	-.271	.116	-.211	-2.343	.022
	Guided missile	.444	.064	.591	6.978	.000
	Incubator	-.202	.140	-.130	-1.438	.154

a. Dependent Variable: Policy framework

According to results (Table 4.20 (a), family, incubator and guide missile cultures significantly influence the policy framework in banks. While the influence of family and Eiffel tower cultures is negative, the influence of the guided missile culture ($t = 6.978$, $p < 0.001$) is positive. This implies that in order to effectively implement a policy framework, guided missile culture should be encouraged.

Table 4.20 (b).

ANOVA in policy framework

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	25.090	4	6.273	14.886	.000[b]
	Residual	34.131	81	.421		
	Total	59.221	85			

a. Dependent Variable: Policy framework
b. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

As seen from the results in Table 4.20 (b) show that the combination of culture types (Eiffel, incubator, guide missile and family cultures) significantly explain 42.4% of the variation in policy framework ($F=14.886$, $p<0.001$)

Table 4.20(c).

Model Summary for the relationship between organizational culture and policy framework

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.651[a]	.424	.395	.64913

a. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

The result in Table 4.20 (c) indicates that 42.4% (R^2 = 0.424) of variations in policy framework is explained by the four culture types present in the studied organizations.

4.7.2 Influence of Organizational culture on communication

Through regression analysis the research sought to find the strength of the relationship between organization cultures and organization communication. The findings are presented in the table (4.21 a, b and c).

Table 4.21 (a)

Influence of culture on organizational communication

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.359[a]	.129	.086	.63301

a. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

According to the results (Table 13a) organisational culture explained 12.9% (R^2=0.129) of the variation in organisational communication.

Table 4.21(b)

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.799	4	1.200	2.994	.023[b]
	Residual	32.456	81	.401		
	Total	37.256	85			

ANOVA[a]

a. Dependent Variable: Organization communication

b. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

ANOVA result in Table 4.21 (b) indicates that all cultures combined had a significant relationship with organization communication, with a p-value of less than 0.05.

The regression model for culture predicting organizational communication was significant at $p < 0.05$ ($F = 2.994$, $p = 0.023 < 0.05$) indicating that the variation in organizational communication was indeed a result of the organizational culture comprising Eiffel tower, family, incubator and guided missile cultures. For commercial banks, corporate strategy is formulated at the corporate office. This strategy must be clearly communicated in a form that is easily understood to the functional areas of the bank-branches. Without effective communication, executives will be creating room for resistance. Strategy cannot be successfully implemented if it cannot be understood (Kaplan & Norton, 2001). Burnes (2004) observes that communication is the key to gaining people's involvement and significantly reducing their level of uncertainty in the activities of an organization. Organization culture which comprises of shared values beliefs and norms at work place affect organization communication.

Table 4.21(c)

Coefficients of regression of culture on organisational communication

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	3.775	.776		4.863	.000
	Family	-.076	.082	-.097	-.925	.358
	Eiffel tower	.037	.113	.036	.329	.743
	Guided missile	.204	.062	.342	3.281	.002
	Incubator	-.086	.137	-.069	-.627	.533

a. Dependent Variable: Organization communication

The results presented in Table 4.21c indicate that only the guided missile culture ($t = 3.821$, $p = 0.002 < 0.05$) positively and significantly influenced organizational communication and that the influence of the other three culture types was insignificant at 5% level of significance since all the p-values associated with their coefficients were more than 0.05. Tables 4.21 (c) indicate that guided missile culture had a significant relationship with organization communication.

4.7.3 Effect of organization culture on short-term objectives

Data was collected and analyzed through regression analysis to find the strength of the relationship between bank culture and short-term objectives setting. Table (4.22 a, b and c) shows the results.

Table 4.22 (a).

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.653[a]	.426	.398	.55116

a. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

Table 4.22(b).

ANOVA

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	18.289	4	4.572	15.051	.000[b]
	Residual	24.606	81	.304		
	Total	42.895	85			

a. Dependent Variable: Short-term objectives
b. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

As shown in Table 4.22a and Table 14b, the four culture types (incubator, guided missile, family and Eiffel tower) significantly explain 42.6% ($R^2 = 0.426$) of variation *short term objectives* formulation/ setting at the studied firms. Specifically, the ANOVA Table (Table 4.22 (b)) indicates that the combined regressors significantly ($F = 15.051$, $p < 0.001 < 0.05$) explain the variation in short-term objectives setting.

Table 4.22(c).

Coefficients of regression

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	4.074	.676		6.028	.000
	Family	.065	.071	.078	.918	.361
	Eiffel tower	-.144	.098	-.132	-1.466	.147
	Guided missile	.377	.054	.589	6.971	.000
	Incubator	-.347	.119	-.262	-2.912	.005

a. Dependent Variable: Short-term objectives

Table of coefficients, (Table 4.22 (c)) indicates that incubator and guided missile cultures had a significant relationship with short-term objective setting, with a p-value less than 0.05. Model summary Table 4.22 (a) indicates that 40% of variations in the dependent variable (short-term objectives) where explained by the independent variables.

4.8 Mediating effect of Strategy operationalisation on the Relationship between Organization Culture and Performance

The Kenny and Baron (1986) procedure was used to examining the mediating effect of strategy operationalisation in the relationship between organizational culture type and performance. Linear regression analysis was used to examine the mediating effect of strategy operationalisation the relationship between culture types and performance of commercial banks. Specifically, regression analyses for culture (Family, Eiffel tower, Guided missile and Incubator) and strategy operationalisation (organizational communication, short-term objectives and policy framework) predicting performance (ROA, Transaction efficiency, number of training and customer growth) were done. The Kenny and Baron (1986) was executed in three steps (Step 1, 2, and 3).

The first step **(Step 1)** involved regression of the dependent variable (organization performance) on the independent variable (organization culture) to confirm that independent variable (cultures) is a significant predictor of the dependent variable (see Part 4.20). It was found that organizational cultures are significant predictors of organizational performance in Kenyan commercial banks.

In **Step 2,** the four culture types were used to predict strategy operationalisation (See part 4.6). Specifically, Step 2 involved regression of the mediator (strategy operationalisation) on the independent variable (Culture) to confirm that the independent variable is a significant predictor of the mediator. The coefficients associated culture type variables were then interpreted and culture type was found to significantly influence performance of commercial banks.

The regression of organization performance comprising Return on assets, Customer growth, Transaction efficiency and Professional training on culture types indicated that a significant relationship existed and that 15% to 65% of variation in performance could be explained by bank culture. This confirms that culture affects performance albeit to varying degrees. Banks could therefore adopt flexible culture approaches especially those that have the highest significance or effect on strategy operationalisation. As Quinn and Cameron (1983) posited, flexible organizations are the most successful in their implementation of strategy and hence performance.

As seen from the summary table and previous results, there was a significant relationship between bank culture and strategy operationalisation (Part 4.20). It was established that there is a significant relationship between the two variables. It can thus be concluded that the prevailing culture in a bank influences the process of strategy operationalisation. In other words, culture type influences organization communication, policy frame work and setting of short term objectives.

In this study it was found that 8% to 40% of variations in the strategy implementation could be explained by the prevailing bank culture. These findings augment those by Alvesson (1990) who opined that culture can be a useful tool for achieving performance in an organization. Denison (1990) also observed that values and beliefs held in an organization can be used as a tool for achieving performance in an organization.

The third step (Step 3) was the regression of organization performance (dependent variable) on both the mediator (strategy operationalisation) and independent variable (culture) to confirm mediation effect. From the summary table above, bank performance; return on assets, professional trainings, customer growth and transaction efficiency were regressed on both culture and strategy implementation. The strength of the relationship was more improved than in Step 1.

The summary Table (Table 4.17) indicates that on customer growth, adjusted R-square improved by 35%. Transaction efficiency adjusted R-square improved by 6%, While that of professional training improved by 29%.From these findings, a conclusion that the mediation effects of strategy operationalisation greatly improved the relationship between bank culture and bank performance can be drawn.

The results show that organization culture affects performance, and Banks must understand the prevailing organization culture and implement the strategies accordingly. And while different culture typologies exist in organizations (Trompenaars & Hampaan-Turner, 1997) each of these cultures affects performance in a unique way. Klein (2008) indicates that healthy culture can lead to superior performance. Organization cultures determine the internal environment of a firm, and the context of strategy operationalisation. Culture influences organization communication policy development and translation of long term goals into short-term objective. According to Lopez et al (2004), questioning, organizations fundamental beliefs and encouraging communication can greatly enhance favorable working environment since strong corporate cultures have been associated with successful strategy implementation (Melita & Krishnan, 2004).

The findings of this study further reveal that a bank's performance is influenced by both organization culture and strategy operationalisation process. In this study, the following elements of strategy operationalisation were used; communicating the strategy, developing policy framework to support the strategy and translating vision into short term objectives. All these elements are influenced by Banks' culture.

Further, these findings in line with other related studies. Mugo (2013) who studied agency banking and found that managers must cultivate internal environment that support strategy operationalisation, Muguni (2009) established that KCB's Superior performance was associated with better strategy implementation while (Muchira, 2013) established that a relationship exists between Banks's performance and strategy implementation. Therefore prevailing organization culture will influence the process of strategy operationalisation, which in turn influences performance as shown in this study. The detailed results of the analyses are presented in the following subsection starting with financial performance (ROA), transaction efficiency (internal process perspective of the BSC), number of trainings (learning and growth perspective) and customer growth (customer perspective of the BSC).

4.8.1 Combined effect of culture type and strategy operationalisation on return on assets

The results of analysis of the combined predictive power of culture type and strategy operationalisation on financial performance (financial perspective of the BSC) was examined using linear regression analysis

Table 4.23(a).

Amount of variation in ROA explained by a combination of Culture and strategy operationalisation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.821[a]	.674	.644	.61330

a. Predictors: (Constant), Short-term objectives, Eiffel tower, Family, Incubator, Guided missile, Organization communication, Policy framework

Culture and strategy operationalisation jointly explained 67.4% (R-square = 0.674) of variation Return on assets (financial performance)

Table (4.23b).

Significance of regression model

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	57.647	7	8.235	21.894	.000[b]
	Residual	27.834	74	.376		
	Total	85.482	81			

a. Dependent Variable: Return on Assets (Audited financial performance)

b. Predictors: (Constant), Short-term objectives, Eiffel tower, Family, Incubator, Guided missile, Organization communication, Policy framework

The analytical model for culture type and strategy operationalisation predicting ROA was significant ($F = 21.894$, $p < 0.001$)

Table 4.23(c).

Coefficients of regression of culture and strategy operationalisation on performance

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	1.740	.981		1.774	.080
	Family	-.516	.095	-.412	-5.430	.000
	Eiffel tower	.147	.121	.094	1.213	.229
	Guided missile	.671	.085	.740	**7.861**	**.000**
	Incubator	-.351	.145	-.184	**-2.414**	**.018**
	Short-term objectives	.006	.163	.004	.037	.970
	Policy framework	-.088	.166	-.073	-.529	.598
	Organization communication	.061	.173	.039	.352	.725

a. Dependent Variable: Audited financial data (Return on Assets)

The results suggest that strategy operationalisation has no significant mediating effect on the relationship between culture types and return on assets (ROA).

4.8.2 Combined effect of culture type and strategy operationalisation on Transaction Efficiency

The results of analysis of the combined predictive power of culture type and strategy operationalisation on financial performance (*financial perspective* of the BSC) was examined using linear regression analysis

Table 4.24(a).

Variation in Transaction efficiency explained by a combination of Culture and strategy operationalisation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.526[a]	.276	.212	.62805

a. Predictors: (Constant), Short-term objectives, Eiffel tower, Family, Incubator, Guided missile, Organization communication, Policy framework

The results in Table 4.23a suggest that culture and strategy operationalisation jointly significantly explained 27.6 % (R-square = 0.276) of variation transaction efficiency (financial performance).

Table 4.24 b).

ANOVA

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	11.756	7	1.679	4.258	.000[b]
	Residual	30.767	78	.394		
	Total	42.523	85			

a. Dependent Variable: Transaction efficiency

c. Predictors: (Constant), Short-term objectives, Eiffel tower, Family, Incubator, Guided missile, Organization communication, Policy framework

From the results in Table 4.23b, the analytical model for culture type and strategy operationalisation predicting ROA was significant ($F = 4.258$, $p < 0.001$)

Table 4.24(c)

Coefficients

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	2.172	.953		**2.280**	**.025**
	Family	-.052	.088	-.062	-.589	.558
	Eiffel tower	.171	.122	.157	1.409	.163
	Guided missile	.150	.085	.235	1.767	.081
	Incubator	-.245	.144	-.185	-1.699	.093
	Short-term objectives	.036	.163	.036	.223	.824
	Policy framework	-.153	.162	-.181	-.943	.349
	Organization communication	.416	.162	.390	**2.562**	**.012**

a. Dependent Variable: Transaction efficiency

The results suggest that strategy operationalisation (specifically, organisation communication) significantly ($\beta = 0.416$, $t = 2.562$, $p = 0.012 < 0.05$) mediates the relationship between culture and transaction efficiency at 5% significance level ($p < 0.01$) sub-variables (policy and short-term objective) and culture type variables do not significantly influence performance at $p < 0.05$. On the other hand short-term objectives and policy framework has no significant mediating effect on the relationship between culture and transaction efficiency (internal process perspective of the BSC)

4.8.3 Effect of organizational culture and strategy operationalisation on number of professional trainings

The results of the analysis of the combined influence of organisational culture and strategy operationalisation on *learning and growth* (as measured by the number of professional trainings) are presented in Tables 4.24 a, b, and c

Table 4.25a.

Variation in professional trainings explained by organisational culture and strategy operationalisation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.797[a]	.636	.603	.35405

a. Predictors: (Constant), Short-term objectives, Eiffel tower, Family, Incubator, Guided missile, Organization communication, Policy framework

According to the results (Table 4.24 a), 63.6% of the variation in professional training (learning and growth) is explained by the combination of organization culture and strategy operationalisation.

Table 4.25 b.

Model significance (ANOVA)

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	17.060	7	2.437	19.442	.000[b]
	Residual	9.777	78	.125		
	Total	26.837	85			

a. Dependent Variable: Number of professional trainings
b. Predictors: (Constant), Short-term objectives, Eiffel tower, Family, Incubator, Guided missile, Organization communication, Policy framework

The results (Table 4.24 b) suggest that culture types and strategy operationalisation have a very significant (F=19.442, p<0.001) combined influence on learning and growth (number of professional trainings) among commercial banks in Kenya.

Table 4.25c

Influence of culture and strategy operationalisation dimensions on professional training

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	1.497	.537		2.787	.007
	Family	-.086	.050	-.130	-1.726	.088
	Eiffel tower	.093	.069	.108	1.363	.177
	Guided missile	.082	.048	.161	1.708	.092
	Incubator	.016	.081	.015	.194	.846
	Short-term objectives	.122	.092	.154	1.326	.189
	Policy framework	.236	.092	.350	2.577	.012
	Organization communication	.215	.092	.254	2.350	.021

a. Dependent Variable: Number of professional trainings

The results suggest that strategy operationalisation (specifically policy framework and organisation communication) significantly (respectively, $\beta = 0.236$, $t = 2.577$, $p = 0.012 < 0.05$ and $\beta = 0.215$, $t = 2.350$, $p = 0.021 < 0.05$) fully mediates the relationship between culture types and number of professional trainings (*learning and growth* BSC perspective) at 5% significance level ($p < 0.01$) since all the culture types (Family, Eiffel tower, guided missile and Incubator) had no significant influence ($p > 0.05$) when combined with strategy operationalisation sub-variables (communication, policy framework and short-term objective) as predictors of performance at $p < 0.05$. On the other hand short-term objectives had no significant mediating effect on the relationship between culture, and *learning and growth* BSC perspectives measured by number of professional training.

4.8.4 Influence of the combination of culture type and strategy operationalization on customer growth

The results of regression analysis for culture and strategy operationalization predicting performance (customer growth) are presented in Tables 4.26 a, b and c.

Table 4.26(a).

Amount of variation in customer growth explained by combination of culture type and strategy operationalization

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.833[a]	.694	.667	.44815

a. Predictors: (Constant), Short-term objectives, Eiffel tower, Family, Incubator, Guided missile, Organization communication, Policy framework

Organization culture types and strategy operationalization explained 69.4% (see Table 4.26a) of variation in customer growth (customer perspective of the BSC performance measurement)

Table 4.26(b).

ANOVA for Significance of the analytical model

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	35.544	7	5.078	25.282	.000[b]
	Residual	15.666	78	.201		
	Total	51.209	85			

a. Dependent Variable: Customer growth rate

b. Predictors: (Constant), Short-term objectives, Eiffel tower, Family, Incubator, Guided missile, Organization communication, Policy framework

Further, the linear regression analytical model exhibited a good model fit since the model was significant (F=25.282, p<0.001); see results in Table 4.26 b.

Table 4.26(c).

Regression coefficients of culture and strategy operationalisation predicting customer growth

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	-.749	.680		-1.102	.274
	Family	.035	.063	.038	.548	.585
	Eiffel tower	.086	.087	.072	.991	.325
	Guided missile	.108	.061	.154	1.777	.079
	Incubator	.170	.103	.118	1.656	.102
	Short-term objectives	.051	.116	.047	.437	.663
	Policy framework	**.552**	**.116**	**.593**	**4.763**	**.000**
	Organization communication	.185	.116	.158	1.593	.115

a. Dependent Variable: customer growth rate

The results suggest that strategy operationalisation (specifically, policy framework) very significantly ($\beta = 0.552$, $t = 4.763$, $p < 0.001$) fully mediates the relationship between culture types and customer growth (*customer perspective* of the BSC performance measurement) at 5% significance level ($p < 0.05$) since all the other two strategy operationalisation sub-variables (communication: $p = 0.115$; and short-term objectives: p = 0.663) and culture type variables do not significantly influence performance at $p < 0.05$. These results imply that organization communication and short-term objectives have no mediating effect in the relationship between culture types and customer growth (BSC customer perspective of measuring performance)

4.8.5 Summary of Mediation effect

Summary Table 4.27indicates the value of R^2, before and after mediation. The three variables that were studied were culture types (family, Eiffel tower, and guided missile and incubator cultures as predictor variables), strategy operationalisation (mediator) and bank performance (dependent variable). The summary of the mediated regression results are presented in Table 4.27.

Table 4.27

Summary of Strategy operationalisation and Mediation results

Performance	**R – square (R^2)**	**R-mediated (R^2_m)**	**R^2-square change**	**BSC reference**
Return on assets	0.637	0.674	0.037	Financial
Transaction efficiency	0.189	0.276	0.087	Internal process
Number of trainings	0.337	0.636	0.299	Learning and growth
customer growth	0.349	0.694	0.345	Customer perspective

Strategy operationalisation partially mediates the relationship however, the mediation is insignificant for financial performance but significant for transaction efficiency, learning and growth, and customer growth.

4.8.6 Summary for the Hypothesis Testing

A hypothesis is a tentative, testable specific statement of prediction that answers scientific questions. Five hypotheses were tested in this study, namely:

H1: There is no statistically significant relationship between family culture and performance in Commercial banks in Kenya.

H2: There is no statistically significant relationship between Eiffel Culture and performance in Commercial banks in Kenya.

H3: There is no statistically significant relationship between guided missile culture and performance in Commercial banks in Kenya.

H4: There is no statistically significant relationship between incubator culture and performance in Commercial banks in Kenya.

H5: The strength of the relationship between organization culture and performance is not significantly mediated by strategy operationalisation in Commercial banks in Kenya.

Each hypothesis of the study was tested using multiple linear regression and correlation analysis and the results are presented in Table 4.28. The hypotheses were tested at 5% significance level ($p < 0.05$). The decision rule on accepting or rejecting the null hypothesis is as shown in Table 28.

Table 4.28

Summary table for the hypothesis testing

# H	Hypothesis	p-value	Decision
	Null: H_0: $\beta_1 = 0$, $t < 1.96$ Alternate: H_1: $\beta_1 \neq 0$, $t > 1.96$	If $p > 0.05$ If $p < 0.05$	Reject H_0 Fail to reject H_0

	Hypothesis	t-statistic	p-value	Decision
H_1	*There is no statistically significant relationship between family culture and performance in Commercial banks in Kenya.*	$t = -5.430 > 1.96$	$p < 0.001 < 0.05$	Reject H_0
H_2	*There is no statistically significant relationship between Eiffel Culture and performance in Commercial banks in Kenya.*	$t = 1.213 < 1.96$,	$p = 0.229 > 0.05$	Fail to reject H_0
H_3	*There is no statistically significant relationship between guided missile culture and performance in Commercial banks in Kenya.*	$t = 7.861 > 1.96$,	$p < 0.001 < 0.05$	Reject H_0
H_4	*There is no statistically significant relationship between incubator culture and performance in Commercial banks in Kenya.*	$t = -2.414 > 1.96$;	$p = 0.018 < 0.05$	Reject H_0
H_5	*The strength of the relationship between organization culture and performance is not significantly mediated by strategy operationalisation in Commercial banks in Kenya.*	$t = 4.763 > 1.96$;	$p < 0.001 < 0.05$	reject H_0

4. 8.7 Chapter Summary

This chapter presented the results of the key study variables. The hypotheses tests were aligned with the objectives in order to fulfill the purpose of the study. In examining the study variables, the results revealed statistically significant relationships (at r 0.05 significance level) between Organization culture, strategy operationalisation and organization performance. These findings broadly complemented previous studies on business strategy operationalisation and performance which show that a relationship exists between organization culture and performance. The chapter further elaborated the findings through comparison and contrasting of the findings with existing theoretical and empirical studies where several consistencies were observed. The content of the data analysis is thence used to discuss the findings and inform the summary, conclusions and recommendations presented in the concluding chapter.

Specifically, guided missile culture had the most influence on all the performance dimensions (return on assets, transaction efficiency, customer growth and number of professional trainings. while family and incubator cultures exhibited a negative influence on most of the performance indicators, particularly the financial performance indicators.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMEDATIONS

5.1 Introduction

The chapter summarizes the study findings and presents conclusions. It highlights the contribution of this study to the body of knowledge, while giving recommendations based on the findings. Specifically, the chapter will present recommendations to the policy makers and suggest areas for further study.

5.2 Summary

The main objective of this study was to determine the mediating effect of strategy operationalisation on the relationship between culture and performance in banks in Kenya. The specific objectives of the study were; to examine the effect of Family culture on performance in commercial banks in Kenya, to ascertain the effect of Eiffel culture on performance in banks in Kenya, to establish the effects of Guided missile culture on performance in banks in Kenya, to ascertain the effect of incubator culture on performance in banks in Kenya and to examine the mediating effect of strategy operationalisation on the relationship between organization culture and performance in commercial banks in Kenya.

Descriptive cross-sectional survey approach was adopted in this study. Descriptive analysis was used to establish prevalence of the culture types, extent of strategy operationalisation and level of performance of the commercial banks in Kenya, while multiple regression analysis was used to study relationships among culture, strategy operationalisation and performance. The summary findings for each objective of the study are summarized as follows:

5.2.1 Influence of family culture on Performance

The study sought to determine the effect of family culture on banks performance. Through multiple regression and correlation analysis, it was established that there is a significant relationship between family culture and banks' performance. This is evidenced in Table 4.28. Family culture is significantly related to return on assets p = 0.001 < 0.05). This means that there is a statistically significant effect of family culture on banks performance. The hypothesis H_1 that there is no statistically significant effect of Family culture on banks' performance in Kenya is therefore rejected.

Influence of Eiffel Tower Culture on Performance

To determine the effect of Eiffel tower culture on performance in banks in Kenya; through multiple regression and correlation analysis it was established that there is no significant effect of Eiffel tower culture on banks' performance. p=0.229 > 0.05. Therefore we fail to reject hypothesis H_2 that there is no statistically significant effect of Eiffel culture on banks' performance in Kenya.

Influence of Guided Missile Culture on Performance

The objective was to determine the effect of Guided Missile culture on performance in banks in Kenya. By multiple regression and correlation analysis it was established that Guided Missile culture significantly affects banks 'performance (p<0.001). This means that there is a statistically significant effect of Guided Missile culture on banks performance. Hypothesis H_3, that there is no statistically significant effect of Guided Missile culture on banks' performance in Kenya, is therefore rejected.

Incubator culture influences on performance

This objective sought to determine the effect of Incubator culture on performance in commercial banks in Kenya where regression and correlation analysis was used to establish that there was significant effect of Incubator culture on banks' performance.

Incubator culture was positively correlated with transaction efficiency ($r = 0.273$, $p = 0.011 < 0.05$). This means that there is a statistically significant effect of Incubator culture on banks performance. Therefore hypothesis H_4 that there is no statistically significant effect of Incubator culture on banks' performance in Kenya is rejected.

Mediating effects of strategy operationalisation in the relationship between culture and performance

The objective was to determine the mediating effects of strategy operationalisation on the relationship between organization culture and performance in commercial banks in Kenya. By application of Baron and Kenny's model (1996) of mediation testing, multiple regression analysis was carried out. The summary table, Table 4.27 indicates that on customer growth, R improved by 34.5%. Transaction efficiency R improved by 8.7%, while that of professional training improved by 29.9%. From these findings therefore, it can be concluded that the mediation effects of strategy operationalisation greatly improved the relationship between bank culture and bank performance. From the study therefore hypothesis H_5, that the strength of the relationship between organization culture and performance is not significantly mediated by strategy operationalisation in commercial Banks in Kenya is therefore rejected.

5.3 Conclusion

The results suggest that strategy operationalisation has significant mediating effect on the relationship between culture types and performance. Strategy operationalisation (specifically, policy framework) very significantly ($\beta = 0.552$, $t = 4.763$, $p < 0.001$) fully mediates the relationship between culture types and customer growth (*customer perspective* of the BSC performance measurement) at 5% significance level

Lastly, strategy operationalisation (specifically policy framework and organization communication) significantly (respectively, $\beta = 0.236$, $t = 2.577$, $p = 0.012 < 0.05$ and $\beta = 0.215$, $t = 2.350$, $p = 0.021 < 0.05$) fully mediates the relationship between culture types and number of professional trainings (*learning and growth* BSC perspective) at 5% significance level.

5.4 Recommendations

Based on the findings of this study the recommendations to commercial banks and recommendations for further study are as follows:

5.4. Recommendations to banks

According to this study prevailing culture in the bank, influence strategy operationalisation and hence bank performance. The findings of this study will guide bank managers in encouraging and sustaining cultures that creates suitable internal environment that support successful strategy operationalisation. Guided missile culture is associated with better performance.

Though all culture types cut across organizations, the dominant culture typology greatly influences the internal environment. Specifically managers need to pay special attention on the culture that support communication, development of right bank polices and support effective vision translation into actionable short term objectives. The management model (Figure 5)

Figure 5.1

Management advisory model

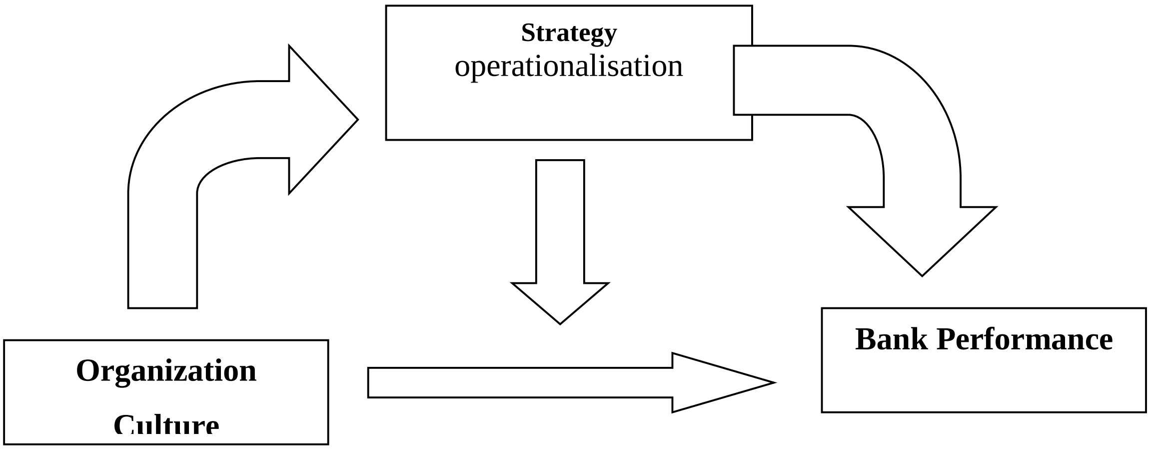


Figure 5 shows the interactions among organization culture, strategy operationalisation and organization performance. The role of management is to initiate and support the organization culture that support effective strategy operationalisation which will lead to superior performance.

5.4.2 Recommendations for further study

While this study focused on the mediation effect of strategy operationalisation on the relationship between Bank culture and performance in banks, further studies could be carried out in other none-bank organizations to find out the influence of culture on competitive advantage and managements' role on organization culture.

Further studies could shed light on effects of culture on strategies for non-bank multinational firms.

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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

Kenya Methodist University,

School of business,

P.O. Box

MERU.

REF: INTROUDCTION LETTER

I am David Ntongai; I am pursuing a doctorate degree in strategic management.

In partial fulfillment of the course requirement, I am conducting a study on ***"The mediating effect of strategy implementation, on the relationship between organization culture and strategy implementation, a case of commercial banks in Kenya"***

For the purpose of this study I wish to collect information from your organization. This information will only be used for the purpose of this study and will be treated with strict confidentiality.

A copy of the summary of the final findings will be availed to you on request.

Thank you

Yours sincerely

David Ntongai.

APPENDIX II: LETTER OF INFORMED CONSENT.

Kenya Methodist University,

School of business,

P.O. Box

MERU.

REF: LETTER OF INFORMED CONSENT

I am David Ntongai.

I am pursuing a doctorate degree in strategic management.

In partial fulfillment of the course requirement, I am conducting a study on

"The mediating effect of strategy operationalisation, on the relationship between corporate culture and strategy operationalisation, a case of commercial banks in Kenya"

For the purpose of this study I wish to collect information from your organization.

You have been selected as a respondent in this study. Rights to privacy will be observed. Names of respondents will not be noted on the questionnaire. All secondary sources will be quoted and referenced from their sources. This information will only be used for the purpose of this study and will be treated with strict confidentiality.

A copy of the final write up will be availed to you on request.

Thank you

Yours sincerely

David Ntongai.

APPENDIX III: QUESTIONNAIRE

Please do not indicate your name in this questionnaire. Kindly answer questions by ticking in the box according to your views.

SECTION A: Demographic information

1. Age in years

   25 and below [ ]

   26-35 [ ]

   36-45 [ ]

   46 and above [ ]

2. Gender [ ] Female [ ] Male

3. Marital status [ ] Single [ ] Married

4. Education level [ ] Diploma

   [ ] Bachelor

   [ ] Master

   [ ] PHD

5. Position in the organization

   Branch Manager [ ]

   [ ] Operations Manager

   Teller one or others, Specify

6. Please indicate how long you have served in the organization in the capacity above

PART B: STRATEGY OPERATIONALISATION

Tick either

Strongly agree, Agree, Neither agree nor disagree (Neutral), Disagree or strongly disagree

(a) Communicating the strategy

OC 1. Company vision is well communicated;

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly disagree [ ]

OC 2. Mission of the company is understood across the firm.

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] strongly disagree [ ]

OC 3. Core values are clearly communicated;

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] strongly disagree [ ]

OC4. New strategic plan is well documented and communicated at all levels.

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] strongly disagree [ ]

(b) Policy framework

OPF1. There is a clear policy supporting all new activities;

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] strongly disagree [ ]

OPF2. Procedures are clear;

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] strongly disagree [ ]

OPF 3. Rules to guide every action are clear;

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] strongly disagree [ ]

OPF4. Programmes and projects to be implemented are well defined.

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] strongly disagree [ ]

(C) Translating long term goals into short term objectives

TLTG 1. Tasks and sub tasks are clearly defined.

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] strongly disagree [ ]

TLTG 2. Performance targets are clearly set.

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] strongly disagree [ ]

TLTG 3. Time schedules are well defined.

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] strongly agree [ ]

TLTG 4. Workers understand clearly the relationship between strategic objectives and their daily tasks.

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly disagree [ ]

(C). ORGANIZATION PERFORMANCE

9 Financial

Provide audited Financial Data (secondary data) for the last three years for calculating average return on assets **(ROA)**

10. Learning and growth

LG1. Employees' trainings in this bank have increased in the last 5 years.

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] strongly disagree [ ]

LG2. I have attended a professional Training in the last 5 year

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly disagree [ ]

LG3. I have been assigned a mentor in the last 5 year

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly disagree [ ]

Agree [ ] Disagree [ ]

LG4. I have learnt new skills to do my job.

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly disagree [ ]

LG5. We are encouraged to innovate.

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] strongly disagree[ ]

(11) Customer perspective

CP1.Customer base in the last five years has increased.

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly disagree [ ]

CP2. We roll out new products into the market frequently.

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly disagree [ ]

CP3.Customer complaints have decrease significantly over the last 5 years.

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly disagree [ ]

(12) Internal processes

IP1 Operations cost has significantly reduced over the last 5 years.

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly disagree [ ]

IP2. Time taken to solve transaction related problems in your bank in the last 5 years, has decreased.

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly agree [ ]

IP3.The quality of our services has greatly improved.

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly disagree [ ]

IP4.The overall efficiency in our operations has increased.

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly disagree [ ]

IP5.For the first five years, there has been a significant operational process improvement.

Strongly agree [ ] Agree [ ]

Neutral [ ] Disagree [ ] Strongly disagree [ ]

13) ORGANIZATION CULTURE

Tick Whether **Strongly agree, Agree, Neutral**, **Disagree** or **strongly disagree**

Organization culture

Family culture (F)

F1. People in this organization are person –oriented. .

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [] Strongly disagree [ ]

F2. People embrace hierarchical order in this organization.

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree[ ] Strongly disagree [ ]

F3. Decisions made here are centralized. .

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly disagree [ ]

Eiffel culture

E1. There are many levels of supervision in this organization.

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly disagree [ ]

E2. Responsibilities are highly defined. .

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree[ ] Strongly disagree [ ]

E3. No tolerance to personal relationships in this organization. .

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly disagree[ ]

13.3 Guided missile culture

GM1. People here are task oriented. .

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly disagree [ ]

GM2. Individual output is not easily measured. .

Strongly agree [ ] Agree [ ]

Neutral [ ] Disagree [ ] Strongly disagree [ ]

GM3. Work roles are not strictly defined. .

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly disagree [ ]

13.4Incubator Culture (I)

IC1. In this organization people focus on themselves. .

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly disagree [ ]

IC2. Organization goals are secondary to individual goals. .

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly disagree [ ]

IC3. Creatively is strongly encouraged. .

Strongly agree [ ] Agree [ ] Neutral [ ]

Disagree [ ] Strongly disagree [ ]

APPENDIX IV: DISTRIBUTION OF RESPONSES

No.	Name of Bank	No. of respondents	S/No.	Name of Bank	No. of respondents
1	Africa Banking Corporation	3	24	Habib Bank A.G. Zurich	0
2	Akiba Bank	3	25	Habib Bank Ltd	3
3	Bank of Baroda	3	26	Housing Finance Co.Ltd	0
4	Bank of India	3	27	Imperial Bank	
5	Barclays Bank of Kenya	2	28	Industrial Development Bank	3
6	CFC Bank	3	29	Investment and Mortgages Bank Ltd	2
7	Chase Bank Ltd	0	30	Kenya Commercial Bank	4
8	Citibank	0	31	K-Rep Bank Ltd	2
9	City Finance Bank	0	32	Middle East Bank	0
10	Commercial Bank of Africa	2	33	National Bank of Kenya	3
11	Consolidated Bank of Kenya Ltd	3	34	National Industrial Credit Bank Ltd	2
12	Co-operative Bank of Kenya	3	35	Oriental Commercial Bank Ltd	3
13	Development Bank of Kenya	3	36	Paramount Universal Bank Ltd	0
14	Diamond Trust Bank	3	37	Prime Bank Ltd	0
15	Dubai Bank Kenya Ltd	2	38	Prime Capital and Credit Ltd	2
16	Eco-bank	3	39	Southern Credit Banking CORP. Ltd	3
17	Equatorial Commercial Bank Ltd	2	40	Stanbic Bank Kenya Ltd	3
18	Equity Bank of Kenya	3	41	Standard Chartered Bank	3
19	Fidelity Commercial Bank Ltd	2	42	Trans-National Bank Ltd	0
20	Fina Bank Ltd	3	43	Victoria Commercial Bank Ltd	3
21	First American Bank of Kenya	2			
22	Giro Commercial Bank Ltd	2			
23	Guardian Bank	0			

APPENDIX VI. TEST FOR NORMALITY AND LINEARITY OF DISTRIBUTIONS

Test for normality of sample data distribution

Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Communication of strategy	85	4.03	0.647	0.078	0.261	-0.661	0.517
Policy framework	85	3.69	0.824	0.437	0.261	-1.085	0.517
Long to short term objective	85	3.84	0.729	0.361	0.261	-0.889	0.517
Family Culture	86	3.40	0.799	0.004	0.260	-0.873	0.514
Eiffel Tower Culture	86	3.68	0.621	-0.667	0.260	1.618	0.514
Guided Missile Culture	85	3.42	0.985	0.231	0.261	-1.337	0.517
Incubator Cultures	**86**	**3.08**	**0.496**	**1.239**	**0.260**	**4.053**	**0.514**
Learning and growth	82	3.59	0.810	0.595	0.266	-0.942	0.526
Customer Perspective	85	3.62	0.591	0.062	0.261	1.769	0.517
Internal Process	85	3.94	0.474	0.318	0.261	-0.365	0.517
Financial perspective	82	1.77	1.027	-0.859	0.266	1.928	0.526
Valid N (listwise)	84						

Linearity tests

Financial performance Customer Perspective Learning and growth
1 ***Internal Process * Family culture***

ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
financial performance * Family Culture	Between Groups	(Combined)	41.638	10	4.164	6.743	<.001
		Linearity	15.345	1	15.345	24.849	<.001
		Deviation from Linearity	26.293	9	2.921	4.731	<.001
	Within Groups		43.844	71	0.618		
	Total		85.482	81			
Customer Perspective * Family Culture	Between Groups	(Combined)	9.644	10	0.964	3.619	0.001
		Linearity	0.83	1	0.83	3.116	0.082
		Deviation from Linearity	8.814	9	0.979	3.674	0.001
	Within Groups		19.723	74	0.267		
	Total		29.367	84			
Learning and growth * Family Culture	Between Groups	(Combined)	28.464	10	2.846	8.198	<.001
		Linearity	4.177	1	4.177	12.029	0.001
		Deviation from Linearity	24.287	9	2.699	7.772	<.001
	Within Groups		24.653	71	0.347		
	Total		53.117	81			
Internal Process * Family Culture	Between Groups	(Combined)	8.446	10	0.845	5.981	<.001
		Linearity	1.192	1	1.192	8.441	0.005
		Deviation from Linearity	7.254	9	0.806	5.707	<.001
	Within Groups		10.451	74	0.141		
	Total		18.897	84			

Financial performance Customer Perspective Learning and
2 ***growth Internal Process * Eiffel culture***

ANOVA Table

			Sum of Squares	Df	Mean Square	F	Sig.
Financial performance * Eiffel Tower Culture	Between Groups	(Combined)	29.707	8	3.713	4.86	<0.001
		Linearity	0.928	1	0.928	1.215	0.274
		Deviation from Linearity	28.779	7	4.111	5.381	<0.001
	Within Groups		55.774	73	0.764		
	Total		85.482	81			
Customer Perspective * Eiffel Tower Culture	Between Groups	(Combined)	8.296	8	1.037	3.74	0.001
		Linearity	1.242	1	1.242	4.481	0.038
		Deviation from Linearity	7.053	7	1.008	3.634	0.002
	Within Groups		21.072	76	0.277		
	Total		29.367	84			
Learning and growth * Eiffel Tower Culture	Between Groups	(Combined)	21.756	8	2.719	6.33	<0.001
		Linearity	2.995	1	2.995	6.972	0.01
		Deviation from Linearity	18.761	7	2.68	6.238	<0.001
	Within Groups		31.362	73	0.43		
	Total		53.117	81			
Internal Process * Eiffel Tower Culture	Between Groups	(Combined)	4.657	8	0.582	3.107	0.004
		Linearity	0.17	1	0.17	0.908	0.344
		Deviation from Linearity	4.487	7	0.641	3.421	0.003
	Within Groups		14.24	76	0.187		
	Total		18.897	84			

Financial perfomanace Customer Perspective Learning and growth
3 ***Internal Process * Guilded missile culture***

ANOVA Table

			Sum of Squares	Df	Mean Square	F	Sig.
Financial data * Guided Missile Culture	Between Groups	(Combined)	50.417	9	5.602	12.593	<0.001
		Linearity	40.193	1	40.193	90.35	<0.001
		Deviation from Linearity	10.224	8	1.278	2.873	0.008
	Within Groups		31.585	71	0.445		
	Total		82.002	80			
Customer Perspective * Guided Missile Culture	Between Groups	(Combined)	12.312	9	1.368	7.671	<0.001
		Linearity	4.113	1	4.113	23.067	<0.001
		Deviation from Linearity	8.198	8	1.025	5.747	<0.001
	Within Groups		13.196	74	0.178		
	Total		25.508	83			
Learning and growth * Guided Missile Culture	Between Groups	(Combined)	35.791	9	3.977	16.338	<0.001
		Linearity	20.416	1	20.416	83.875	<0.001
		Deviation from Linearity	15.375	8	1.922	7.896	<0.001
	Within Groups		17.282	71	0.243		
	Total		53.074	80			
Internal Process * Guided Missile Culture	Between Groups	(Combined)	11.666	9	1.296	13.273	<0.001
		Linearity	4.87	1	4.87	49.866	<0.001
		Deviation from Linearity	6.796	8	0.85	8.699	<0.001
	Within Groups		7.227	74	0.098		
	Total		18.893	83			

4 ***Financial performance Customer Perspective Learning and growth Internal Process * Incubator culture***

ANOVA Table

			Sum of Squares	Df	Mean Square	F	Sig.
Financial data * Incubator Cultures	Between Groups	(Combined)	25.15	8	3.144	3.804	0.001
		Linearity	8.999	1	8.999	10.889	0.001
		Deviation from Linearity	16.151	7	2.307	2.792	0.012
	Within Groups		60.331	73	0.826		
	Total		85.482	81			
Customer Perspective * Incubator Cultures	Between Groups	(Combined)	11.934	8	1.492	6.504	<0.001
		Linearity	3.603	1	3.603	15.706	<0.001
		Deviation from Linearity	8.332	7	1.19	5.189	<0.001
	Within Groups		17.433	76	0.229		
	Total		29.367	84			
Learning and growth * Incubator Cultures	Between Groups	(Combined)	3.322	8	0.415	0.609	0.768
		Linearity	0.382	1	0.382	0.559	0.457
		Deviation from Linearity	2.941	7	0.42	0.616	0.741
	Within Groups		49.795	73	0.682		
	Total		53.117	81			
Internal Process * Incubator Cultures	Between Groups	(Combined)	2.914	8	0.364	1.732	0.105
		Linearity	0.382	1	0.382	1.815	0.182
		Deviation from Linearity	2.532	7	0.362	1.72	0.117
	Within Groups		15.983	76	0.21		
	Total		18.897	84			

APPENDIX V: RESULTS

Family Culture on Performance in Banks in Kenya

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Person-oriented employees	86	3.37	1.372	.14799
Hierarchical order in organization	86	3.35	.794	.08558
Decisions	86	3.49	.763	.08228

Eiffel culture on performance in banks in Kenya.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Levels of supervision	86	4.02	.84	.09056
Responsibilities definition	86	3.53	.79	.08547
Tolerance to personal relationships	86	3.48	.84	.09018

Effects of guided missile culture on performance in banks in Kenya

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Task oriented people	86	3.66	1.08	.11650
Individual outputs	86	3.28	1.38	.14855
work roles definition	85	3.31	.87	.09471

Effects of incubator culture on performance in banks in Kenya

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
People focus	86	3.01	.74	.08017
Organizational goals and individual goals	86	2.97	.66	.07104
Creativity	86	3.27	.69	.07475

Correlation Analysis on bank performances and cultures

	ROA	Transaction efficiency	Number of professional trainings	Customer growth rate
Personal oriented employees Pearson correlation Sig.(2 tailed) N	-.324 .003 82	-.600 .583 86	-.118 .280 86	-.043 .697 86
Hierarchical order in org. Pearson correlation Sig.(2 tailed) N	.555 .000 82	-.117 .283 86	-.250 .0250 86	-.129 .237 86
Decisions Pearson correlation Sig.(2 tailed) N	-.196 .077 82	.004 .970 86	-.299 .005 86	-.247 .022 86
Level of supervision Pearson correlation Sig.(2 tailed) N	-.037 .742 82	.270 .012 86	-.081 .461 86	-.128 .239 86
Responsibilities Pearson correlation Sig.(2 tailed) N	-.093 .404 82	0.030 0.782 86	-.221 0.041 86	-.376 0.00 86
Tolerance Pearson correlation Sig.(2 tailed) N	.354 .001 82	.196 0.70 86	.156 .151 86	.075 .495 86
Task oriented people Pearson correlation Sig.(2 tailed) N	.728 .000 82	.322 .003 86	.511 .001 86	.592 .000 86
Individual outputs Pearson correlation Sig.(2 tailed) N	.548 .000 82	.188 .084 86	.474 .000 86	.502 .000 86

Work definition Pearson correlation Sig.(2 tailed) N	.580 .000 81	.118 .307 85	.193 .079 85	.273 .0111 85
People focus Pearson correlation Sig.(2 tailed) N	-.196 .078 82	-.284 .008 86	-.088 .4222 86	-.156 .157 86
Goals Pearson correlation Sig.(2 tailed) N	-.311 .004 82	-.201 .064 86	-.211 .051 86	-.030 .780 86
Creativity Pearson correlation Sig.(2 tailed) N	-.200 .071 82	-.211 .052 86	-.111 .309 86	.178 .100 86

Correlation Analysis on bank performances, mediating variables and cultures

	Family	Eiffel tower	Guided missile	Incubator	Organization communication	Policy framework	Short-term objectives
Return on assets Pearson correlation Sig.(2 tailed) N	-.345 .002 82	.186 .094 82	.663 .000 82	.0237 .032 82	.332 .002 82	.475 .000 82	.406 .000 82
Transaction efficiency Pearson correlation Sig.(2 tailed) N	0.063 .564 86	.260 .013 86	.270 .012 86	.273 .011 86	.390 .000 86	.257 .017 86	.306 .004 86
Professional trainings Pearson correlation Sig.(2 tailed) N	.180 .098 86	.046 .671 86	.527 .000 86	-.110 .314 86	.666 .000 86	.737 .00 86	.629 .000 86
Customer growth rate Pearson correlation Sig.(2 tailed) N	-.047 .007 86	-.077 .484 86	.580 .000 86	.031 .778 86	.6533 .000 86	.802 .000 86	.633 .000 86
Organization communication Pearson correlation Sig.(2 tailed) N	-0.76 0.489 86	0.053 0.625 86	0.332 0.002 86	0.088 0.421 86	1 - 86	.717 .000 86	.607 .000 86
Policy framework Pearson correlation Sig.(2 tailed) N	-.159 .143 86	-.175 0.106 86	.582 .000 86	-.069 .526 86	.717 .000 86	1 - 86	.714 .000 86
Short-term objectives Pearson correlation	.117 .286	-.070 .524	.600 .000	-.209 .054	.607 .000	.714 .000	1 -

Sig.(2 tailed) N	86	86	86	86	86	86	86

Effects of cultures on returns on assets

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	57.535	4	14.384	39.632	.000[b]
	Residual	27.946	77	.363		
	Total	85.482	81			

a. Dependent Variable: return on assets

b. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel

.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.595	.765		2.085	.040
	Family	-.500	.082	-.400	-6.068	.000
	Eiffel	.172	.110	.110	1.569	.121
	Guided missile	.646	.059	.713	10.866	.000
	Incubator	-.338	.133	-.177	-2.533	.013

a. Dependent Variable: Audited financial data

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.820[a]	.673	.656	.60244

a. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel

4.6.2 **Effects of cultures on Customer growth rate**

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.876	4	4.469	10.859	.000[b]
	Residual	33.334	81	.412		
	Total	51.209	85			

a. Dependent Variable: customer growth rate

b. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.632	.787		3.346	.001
	Family	-.092	.083	-.100	-1.112	.269
	Eiffel	-.064	.114	-.054	-.561	.576
	Guided missile	.410	.063	.586	6.509	.000
	Incubator	.025	.139	.018	.183	.855

a. Dependent Variable: customer growth rate

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.591[a]	.349	.317	.64150

a. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel

Effects of cultures on Transaction efficiency

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.029	4	2.007	4.714	.002[b]
	Residual	34.494	81	.426		
	Total	42.523	85			

a. Dependent Variable: Transaction efficiency
b. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.204	.800		4.005	.000
	Family	-.049	.084	-.059	-.582	.562
	Eiffel	.223	.116	.205	1.915	.059
	Guided missile	.180	.064	.283	2.818	.006
	Incubator	-.262	.141	-.199	-1.858	.067

a. Dependent Variable: Transaction efficiency

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.435[a]	.189	.149	.65257

a. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel

Effects of cultures on Number of professional trainings

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.051	4	2.263	10.304	.000[b]
	Residual	17.787	81	.220		
	Total	26.837	85			

a. Dependent Variable: Number of professional trainings
b. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.864	.575		6.725	.000
	Family	-.144	.060	-.217	-2.381	.020
	Eiffel	.020	.084	.023	.238	.813
	Guided missile	.276	.046	.546	6.010	.000
	Incubator	-.092	.101	-.088	-.913	.364

a. Dependent Variable: Number of professional trainings

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.581[a]	.337	.305	.46860

a. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel

Mediating Effect of Strategy operationalisation on the Relationship between Organization Culture and Performance in Commercial Banks in Kenya

Regression Audited financial data on culture and mediating variables

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.821[a]	.674	.644	.61330

a. Predictors: (Constant), Short-term objectives, Eiffel, Family, Incubator, Guided missile, Organization communication, Policy framework

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	57.647	7	8.235	21.894	.000[b]
	Residual	27.834	74	.376		
	Total	85.482	81			

a. Dependent Variable: Audited financial data
b. Predictors: (Constant), Short-term objectives, Eiffel, Family, Incubator, Guided missile, Organization communication, Policy framework

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.740	.981		1.774	.080
	Family	-.516	.095	-.412	-5.430	.000
	Eiffel	.147	.121	.094	1.213	.229
	Guided missile	.671	.085	.740	7.861	.000
	Incubator	-.351	.145	-.184	-2.414	.018
	Short-term objectives	.006	.163	.004	.037	.970
	Policy framework	-.088	.166	-.073	-.529	.598
	Organization communication	.061	.173	.039	.352	.725

a. Dependent Variable: Audited financial data

Regression Transaction Efficiency on culture and mediating variables

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.526[a]	.276	.212	.62805

a. Predictors: (Constant), Short-term objectives, Eiffel, Family, Incubator, Guided missile, Organization communication, Policy framework

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.756	7	1.679	4.258	.000[b]
	Residual	30.767	78	.394		
	Total	42.523	85			

a. Dependent Variable: Transaction efficiency

b. Predictors: (Constant), Short-term objectives, Eiffel, Family, Incubator, Guided missile, Organization communication, Policy framework

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.172	.953		2.280	.025
	Family	-.052	.088	-.062	-.589	.558
	Eiffel	.171	.122	.157	1.409	.163
	Guided missile	.150	.085	.235	1.767	.081
	Incubator	-.245	.144	-.185	-1.699	.093
	Short-term objectives	.036	.163	.036	.223	.824
	Policy framework	-.153	.162	-.181	-.943	.349
	Organization communication	.416	.162	.390	2.562	.012

a. Dependent Variable: Transaction efficiency

Regression number of professional trainings on culture and mediating variables

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.797[a]	.636	.603	.35405

a. Predictors: (Constant), Short-term objectives, Eiffel, Family, Incubator, Guided missile, Organization communication, Policy framework

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.060	7	2.437	19.442	.000[b]
	Residual	9.777	78	.125		
	Total	26.837	85			

a. Dependent Variable: Number of professional trainings
b. Predictors: (Constant), Short-term objectives, Eiffel, Family, Incubator, Guided missile, Organization communication, Policy framework

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.497	.537		2.787	.007
	Family	-.086	.050	-.130	-1.726	.088
	Eiffel	.093	.069	.108	1.363	.177
	Guided missile	.082	.048	.161	1.708	.092
	Incubator	.016	.081	.015	.194	.846
	Short-term objectives	.122	.092	.154	1.326	.189
	Policy framework	.236	.092	.350	2.577	.012
	Organization communication	.215	.092	.254	2.350	.021

a. Dependent Variable: Number of professional trainings

Regression customer growth rate on culture and mediating variables

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.833[a]	.694	.667	.44815

a. Predictors: (Constant), Short-term objectives, Eiffel, Family, Incubator, Guided missile, Organization communication, Policy framework

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.544	7	5.078	25.282	.000[b]
	Residual	15.666	78	.201		
	Total	51.209	85			

a. Dependent Variable: customer growth rate
b. Predictors: (Constant), Short-term objectives, Eiffel, Family, Incubator, Guided missile, Organization communication, Policy framework

Coefficients

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-.749	.680		-1.102	.274
	Family	.035	.063	.038	.548	.585
	Eiffel	.086	.087	.072	.991	.325
	Guided missile	.108	.061	.154	1.777	.079
	Incubator	.170	.103	.118	1.656	.102
	Short-term objectives	.051	.116	.047	.437	.663
	Policy framework	.552	.116	.593	4.763	.000
	Organization communication	.185	.116	.158	1.593	.115

a. Dependent Variable: customer growth rate

Correlation of bank performance on indicators

Correlation

	Dominance characteristics	Organizational leadership	Management of employees	Organizational glues	Strategic emphasize	Criteria of success
Return on assets	.467 .000 82	.305 .005 82	.645 .000 82	.467 0.000 82	.459 .000 82	.542 .000 82
Transaction efficiency	.315 .003 86	.251 .020 86	.301 .000 86	.475 .000 86	.154 .000 86	.413 .000 86
Number of professional trainings	.369 .000 86	.289 .007 86	.598 .000 86	.498 .000 86	.238 .027 86	.441 .000 86
Customer growth rate	.410 .000 86	-.006 .950 86	.719 .000 86	.251 .020 86	.151 .000 86	.297 .006 86

SOURCE: AUTHOR, 2018

Kenya Methodist University

P.O Box 267 - 60200, Meru, Kenya, Tel (+254-020) 2118423-7, 064-30301/31229 Fax (+254-064) 30162 Email: [illegible], Website: [illegible]

May 5, 20[illegible]

Executive Secretary,
National Council for Science and Technology,
P.O Box 30623-00100,
NAIROBI

Dear Sir/Madam,

RE: DAVID NTONGAI (BUS-4-0185-1/2015)

This is to confirm that the above named is a bona fide student of Kenya Methodist University pursuing a Doctoral Degree in Business Administration.

David Ntongai is undertaking a research study on "Mediating Role of Strategy Operationalization on the Relationship between Organizational Culture and Performance (A Case of Commercial Banks in Kenya)". To successfully complete his research work, he requires relevant data in his area of study.

In this regard, we kindly request your office to issue him a research permit to enable him collect the data for his academic research work.

We thank you in advance for your co-operation.

Yours faithfully,

Dean

05 MAY 2017

Dr. Evangeline Gichunge
Associate Dean, Research Development & Board of Postgraduate Studies

APPENDIX VI: RESEARCH PERMIT

Republic of Kenya
MINISTRY OF EDUCATION
STATE DEPARTMENT OF BASIC EDUCATION

Telegrams: "SCHOOLING", Nairobi
Telephone: Nairobi 020 2453699
Email: [illegible]
[illegible]

When replying please quote

REGIONAL COORDINATOR OF EDUCATION
NAIROBI REGION
NYAYO HOUSE
P.O. Box 74629 – 00200
NAIROBI

Ref: RCE/NRB/GEN/1/VOL. 1

DATE: 17th July, 2017

David Ntongai
Kenya Methodist University
P O Box 267-60200
MERU

RE: RESEARCH AUTHORIZATION

We are in receipt of a letter from the National Commission for Science, Technology and Innovation regarding research authorization in Nairobi County on **"Mediating role of strategy operationlization on the relationship between organization culture and performance (A case of Commercial Banks in Kenya."**

This office has no objection and authority is hereby granted for a period ending **19th June, 2018** as indicated in the request letter.

Kindly inform the Sub County Director of Education of the Sub County you intend to visit.

REGIONAL COORDINATOR OF EDUCATION
NAIROBI
17 JUL 2017

MAINA NGURU
FOR: REGIONAL COORDINATOR OF EDUCATION
NAIROBI

C.C

Director General/CEO
Nation Commission for Science, Technology and Innovation
NAIROBI

APPENDIX VII: LIST OF BANKS

	NAME OF THE BANK
1	Africa Banking Corporation
2	Akiba Bank
3	Bank of Baroda
4	Bank of India
5	Barclays Bank of Kenya
6	CFC Bank
7	Chase Bank Ltd
8	Citibank
9	City Finance Bank
10	Commercial Bank of Africa
11	Consolidated Bank of Kenya Ltd
12	Co-operative Bank of Kenya
13	Development Bank of Kenya
14	Diamond Trust Bank
15	Dubai Bank Kenya Ltd
16	Eco-bank
17	Equatorial Commercial Bank Ltd
18	Equity Bank of Kenya
19	Fidelity Commercial Bank Ltd
20	Fina Bank Ltd
21	First American Bank of Kenya
22	Giro Commercial Bank Ltd
23	Guardian Bank

24 Habib Bank A.G. Zurich

25 Habib Bank Ltd

26 Housing Finance Co.Ltd

27 Imperial Bank

28 Industrial Development Bank

29 Investment and Mortgages Bank Ltd

30 Kenya Commercial Bank

31 K-Rep Bank Ltd

32 Middle East Bank

33 National Bank of Kenya

34 National Industrial Credit Bank Ltd

35 Oriental Commercial Bank Ltd

36 Paramount Universal Bank Ltd

37 Prime Bank Ltd

38 Prime Capital and Credit Ltd

39 Southern Credit Banking CORP. Ltd

40 Stanbic Bank Kenya Ltd

41 Standard Chartered Bank

42 Trans-National Bank Ltd

43 Victoria Commercial Bank Ltd