RELATIONSHIP BETWEEN STRATEGIC CONTINGENCY FACTORS AND ORGANIZATIONAL PERFORMANCE OF COMMERCIAL BANKS IN KENYA

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JULY 2022

DECLARATION

I declare that this thesis is my original work and has not been presented in any other university

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DEDICATION

Special dedication goes to my wife Edwinah Vohenzi Gagai and my children Michelle Jahenda Kegode and Trevor Gagai Kegode . Thank you for your unwavering love, support and inspiration.

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I thank the almighty God for granting me knowledge and understanding, favour, sufficient grace, provision, protection and resilience during this academic journey. Sincere gratitude goes to the Kenya Methodist University for the knowledge I have acquired during the period of training. I also appreciate the selfless support from my supervisors; Prof. Evangeline M. Gichunge and Dr. Eunice Kirimi for their guidance through from the concept to the final document of this thesis writing.

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ABSTRACT

The study sought to establish the relationship between strategic contingency factors and the commercial banks performance in Kenya. Specifically, the research sought to ascertain the association between organizational structure, information technology, regulation of banks and competition and the organisational performance and lastly, to asertain the moderating effect of strategic fit on the strategic contingency factors and organisational performance relationship. The study was guided by the contingency theory, diffusion of innovation theory, the neo-classical theory of markets, and the public interest theory of regulation. A descriptive research approach was used, and 41 banks were chosen as study subjects. Four top personnel from each of the institutions targeted were chosen to take part in the research. The respondents were head of human resource department, operations department, finance department, and information technology department. The sample size comprised 156 respondents from 39 banks. Pilot study was carried out on two banks namely; community bank and prime bank. The study employed primary data that were collected through a questionnair. Validity and reliability were determined through use of a pilot study. Data analysis was done using descriptive and inferential analysis. Inferential analysis included correlation analysis, linear regression analysis and multiple regression analysis. Descriptive analysis comprised frequencies and percentages. Cronbach's alpha ascertained the internal consistency of the research tool. The results established that organizational structure, technology, regulations and competition affected organizational performance. However, the strategic fit was established to have a moderation effect on the relationship between strategic contingency factors and organizational performance. It was recommended that the administration of banks should improve their organizational structure as it was found that the variable had the greatest contribution towards organizational performance, banks should ensure they have a comprehensive organisational structure with a high degree of control, a hierarchical structure, and a divisional structure within the departments. The management should provide an enhanced information technology infrastructure, and improve the IT skills of the employees through professional development to enhance performance. Lastly, the study developed an optimal model suggesting that contingency factors [organizational structure, information technology; competition, and regulation] have a major impact on firm performance and that the relationship is moderated by a strategic fit.

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ABBREVIATIONS AND ACRONYMS

AU	-	Africa Union
BSD	-	Bank Supervision Department
CBK	-	Central Bank of Kenya
CBK	-	Central Bank of Kenya
CRBS	-	Credit Reference Bureaus
ERP	-	Enterprise Resource Planning
GDP	-	Gross Domestic Product
ICT	-	Information Communication Technology
IT	-	Information Technology
KCC	-	Kenya cooperative creameries
KPIs	-	Key Performance Indicators
MFBS	-	Micro Finance Banks
MRPS	-	Money Remittance Providers
NACOSTI	-	National Commission for Science, Technology & Innovation
OLS	-	Ordinary Least Square
PCSEs	-	Panel-Corrected Standard Errors
RBV	-	Resource-Based view
ROA	-	Return on Asset
ROE	-	Return on equity
RoK	-	Republic of Kenya
SDGs	-	Sustainable Development Goals
SMA	-	Strategic Management Accounts
SMS	-	Short Messaging Services
UN	-	United Nation
VSAT	-	Very Small Aperture Technology

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In the complex and unpredictable conditions where most banks operate nowadays, the versatility of operational variables is a critical competitive edge capability (Samad, 2016). Conversely, in the course of implementing the versatility strategies, companies also struggle to understand the gains of efficiency (Felin & Powell, 2016). In the financial industry, the versatility of organizational characteristics in terms of results attributable to contingencies has evolved as a valuable driver of a competitive edge as businesses aspire to respond to changing consumer needs whilst staying competitive in terms of cost dimensions (Teixeira, et al ., 2019).

Organizational contingency aspects such astechnology, organizational structure, competition, and regulatory context are essential to the achievement of firm objectives (Maletič et al., 2018). However, according to Felin and Powell (2016), the organizational structure is essential since how a business blends into the nature of the industry is regarded as the predominant driver of competitive edge. Contemporary companies operate in constantly evolving, highly competitive, and dynamic conditions where consumer tastes are unpredictable and innovation is shifting scenarios (Šiška, 2016).

Technology is often seen as a significant contingency component in today's business climate, where disruptive developments such as market globalization, intensified business uncertainty, new avenues of competitive edge, and technical advancements call for a review of established management practices, taking into account the effect of contingencies

on the output of a company (Wu et al., 2015). Luftman et al. (2017) claim that the perspective of competition is particularly effective for companies performing in complex and volatile conditions that require them to constantly amend their activities.

The importance of regulations can never be downplayed. Scholars and researchers at Ohio State University on institutional performance as affected by contingencies have shown that there is no right way to structure a corporation and hence the optimum plan of action depends on opportunities and threats that affect institutional efficiency (Luftman et al., 2017). The role of the identified contingencies in the functioning of businesses in the real world cannot be underestimated. This is why the present research sought to investigate the association between the strategic contingency factors, the strategic fit, and the organizational performance of banks in Kenya.

Bank Performance

Chen et al. (2018) define organisational performance as the converting the raw material into outputs in order to achieve certain goals. In terms of substance, performance explains the relationship between minimum and efficient cost (economy), functional cost and number of output (efficiency), and output and accomplished outcomes (effectiveness). Performance assessment and reporting are now commonplace in several developed and developing nations' business and governmental sectors. Indicators (KPIs), a typical instrument for this procedure, have been suggested to give intelligence in the form of meaningful information regarding the performance of public and commercial agencies.

KPIs are seen as a successful system of management and a socially created mechanism that sounds plausible (Sovacool, et al. 2018). The reality that KPIs appear to be analytical has

fostered their picture of objectivity and logic. The reputation of KPIs has been further strengthened by their massive implementation across a wide range of sectors in many nations. The value of measuring performance is acknowledged by Zamore et al, (2019) that it is essential to expect the citizens to see it and recognize the effects of the company plans. Intellectuals such as Alexander (2017) also asserted that the implementation of quality assessment systems has considerable special importance.

Banks are the center of financing to every country's economy. In effect, credit is the driver that kickstarts the economic activities that decide the growth and development of a nation's economy. As a consequence, any improvement in the operations of banks has significant consequences for the economy as a whole. Each bank 's leadership should create a system for evaluating investment efficiency that is appropriate for its needs and circumstances, and this assessment should be accomplished at regular time frames to make sure the accomplishment of the bank's investment goals and to understand the overall path of investment action in the history and thus forecast the results (Aldhamari et al., 2020).

The amount of income is a widely used indicator of organizational success. The profitability of the organization can be determined by the returns on the assets of the organization (ROA), the proportion of the income of the company to its asset value. Corporation financial reports disclose earnings pre and post taxes. A further good indicator of corporate success is the proportion of pre-tax income to equity (ROE) instead of overall assets, as greater companies are often supposed to also have a higher return on assets (ROA (Ahmed et al., 2019). Profit margins provide hints about the bank's capacity to take the level of risk and grow its business. The key metrics used to measure the profitability of banks are financial leverage, ROE, and ROA. Metrics are presented for analysis over some

time to track patterns in profitability. The study of the time shift of the different indicators demonstrates the changes to policies and tactics of the institutions and/or their economic outlook (Saghi-Zedek, 2016).

Strategic Contingency Factors

The amount of contingent nature determines the interaction between an organization's elements such as organisational structure, information technology, competitiveness, and regulatory environment and its performance (Lucianetti et al., 2018). The essential to remember is that organisational factors cannot be generalized, thus every organisation must be built to be prepared to adapt to eventualities in order to minimize performance loss. According to Velamuri et al. (2017) contingencies represent substantial issues for complex organisations; consequently, a corporation should correctly build its organizational components to be contingent to explicitly handle them rather than functioning under the previous strategy arrangement.

As per the contingency outlook and the fundamental principle of change or fit, a company's performance will be determined by the extent of adaptation that persists between organisational context and organisational structure, while keeping in mind that no single form of organisation occurs without taking into account the impact of uncertainties on its performance (Braidotti , 2019).

According to Zhang et al. (2018), organisational structure is seen as a greater resource or capacity whose significance stems from the organization of other resources and skills. These strategic contingency variables of a business's organisational structure should be properly combined in order to obtain competitive value and so assist the firm in achieving

high-performance levels (Singh & Khamba, 2016). Considering the contingency method, previous research has shown that the external factors and strategic decisions impact organisational structure characteristics that influence strategy implementation success (Dekoulou & Trivellas, 2017). According to Adji and Fernandes (2017)'s research on contingency theory, the efficiency of organisational factors arises from a correspondence (or fit) between the setting (strategic contingency factors) and the organisational structure, and thus the factors must be considered when designing an organisation's structure because they significantly affect performance.

According to Kaliappen et al. (2019), the impact of strategy on company performance is routed through organisational structure. Organisational structure does not immediately impact company performance, but it does affect how contingent it is, because contingencies immediately effect costs and revenues. Teixeira et al. (2019) found that Information Technology (IT) is a significant contingency element that is recognized to impact manufacturing business performance. It is also suggested that because IT is dependent, uptake of emerging technologies must always be changed to match a firm's present needs, necessitating the inclusion of contingency aspects.

Adoption of digital technology that are sensitive to a changing environment necessitates that they be contingent. This facilitates the adoption of automated materials managing systems, mechatronics, computer-controlled machines, and computer entire manufacturing mechanisms, which leads to deliberately designed flexibility, which ultimately translates into the manufacturing of a wide range of products with negligible change-over and predefined disruption, boosting both versatility and production. This benefits the company in terms of flexibility, decreased lead times, enhanced quality, and consumer response, all

of which have a favorable influence on performance (Kihara et al., 2016). According to Ab-Rahim et al (2016)'s ERP adoption study, in organizations with contingent Ict systems, fundamental IT and computer knowledge are inadequate and will not impact the software's performance.

As a result, management should ensure that enough provision is made for the continuing acquisition of necessary IT skills and experience in order to maximize success with such technology. This is only possible if managers can create realistic methods to transfer the functions and processes that their legacy Ict systems supports to the new system in order to elicit higher levels of appreciation for the new system. The businesses' goal of adopting a new system is undermined if key organizational members are unable to distinguish between the benefits of their old Ict systems and the different system (Alimohamadian et al., 2017). Adoption of appropriate technology aids in bridging information gaps that may occur within a company whose various departments control and operate heterogeneous IT systems. According to the contingency theory, by aligning organizational characteristics with appropriate contingencies, managers may attain greater degrees of success in a firm's performance with its IT systems (Omieno, 2020).

Adjustment to environmental needs makes information technology dependent, and so organisational IT aspects can indeed be handled with in separation without accounting for the effect of contingencies when determining an organization's success (Chatzoglou et al., 2016). Current economic activity is distinguished by strong worldwide competition, fast innovative products, growing use of automation, and considerable organisational changes as a result of high tech manufacturing and ict. According to the findings, information technology should be seen as a significant aspect in gaining a competitive edge, which is a

prerequisite for a company's profitability and survival. According to Afandi (2017), successful adoption of contingent IT can lead to greater company productivity and hence enhanced business performance.

According to Ahmed (2015), in their research on competitiveness, there is a need for firms to pay more attention to positioning themselves against eventualities rather than depending on existing tactics. He also stated that competition is dependent and that it is a vital externally and internally motivator of performance. According to Davis and Bendickson (2020), when it comes to strategic contingency considerations, competition has the potential to use resources that have a significant impact on organizational performance. They contend that competition is a critical component of strategic contingency variables that has a direct impact on a company 's accomplishments.

A contingency strategy, according to Yuliansyah et al. (2017), encourages the proper performance-driven behaviors that allow organizations to accomplish their corporate goals and assist them establish a sustainable competitive advantage by constructing a balanced set of measurements. Fitting a bank's procedures and procedures to its environmental setting, in essence, is critical to creating operations as a competitive edge. When addressing various sorts of manufacturing settings, Yuliansyah et al. (2019) discovered that elevated concentrations of flexibility are often related with high levels of performance along the other dimensions of operational performance. They stated that in order to ensure continuous growth, businesses must make efficient and effective adjustments to organizational variables in response to changing regulatory and legal environments.

Strategic Fit

The strategic fit idea is based on the premise that corporations have very little influence over their ecosystem and also that the effective organizational performance of firms relies on their strategic orientation with the ecosystem. Companies that do not adopt policies that match their capital with their climate will not do so. This mode of thinking was drawn from the findings of a market-based economic system, acknowledging that there is a strong and optimistic connection between the climate and the strategic business outcomes (Njeri & Anyieni, 2018).

Strategic fit can as well be described as the creation of strategies by recognizing opportunities in the global landscape and adjusting capabilities and resources to gain sustainable competitive advantage. (Neis et al., 2017). These techniques are complex because the company has little influence over the surrounding environment and thus coincides with these external influences. While a 'match' between strategy and environment is a requirement for the survival of the organization, this can be claimed that strategy comprises a continuum of domains specialization instead of adapting.

Fit is deemed vital to strategic management since; first, in the area of organizational legislation, the initial strategy model is embedded in the idea of "aligning" or "integrating" resources with external challenges and opportunities (Samiee & Chirapanda, 2019). In this background, the main role of fit in the strategy is to define the specific four elements of the strategy: business opportunities, business competencies and capabilities, personal values, and goals, and acknowledged responsibilities to divisions of the community besides shareholders.

Secondly, strategic management, as a comparatively recent area of research, accepts principles and research methodology from similar fields. In general, industrialized organization (IO) economic theory, administrative behavior, and market research; because the principle of fit is prevalent in parent fields, in distinct in organizational theory and IO economic theory, fit takes significance when designing and evaluating strategy concepts. Thirdly, the fit has been viewed as an optimal conventional to highlight the importance of integrating complicated design aspects for the successful execution of the chosen strategy and to suggest that collaboration between the seven components (tactic, layout, processes, design, personnel, common knowledge and attitudes) is a prerequisite for organizational performance. This underlines the value of a strategic fit for an organization to be able to face environmental issues in its field. (Lukosch & Comes,2019).

Additionally, the concept of 'institution' has evolved considerably over the years, primarily due to advances in an appropriate level of control, technical advancements, universal standards, and networks and information. While an organization can be represented as an individual or an entity, it ultimately has to communicate with consumers, stakeholders, etc. As a consequence, organization structures are not only the original stand-alone structures, but they involve many 'remote' styles and 'interlinked' structures, sometimes contributing to quite complicated organizations. This shift in the perception of an institution underlines the significance of recognizing the connection between the organization and its setting, and conversely, the effect of an entity on the environment. Moreover, companies need to maintain both themselves and in a growing dynamic climate (Sharman et al., 2019). Having to borrow from (Prajogo 2016); it is not the degree of quality in the approach that counts,

but how it is applied that decides its effective result, indicating the value of the tactical match to the environment for organizational efficiency.

Commercial Banks in Kenya

Commercial banks are critical to any state's social and economic growth. Banking systems, together with businesses, play critical roles in the economic growth process. Banking institutions assist to economic progress through accumulating cash, implementing contemporary technologies, developing agricultural and industrial industries, and expanding market and resource use, among other things (Auma, 2014).

Commercial banks are projected to make significant contributions to the achievement of the United Nations Sustainable Development goals, the African Union Agenda 2063, Kenya's Vision 2030, and the Big Four Agenda within the National and County Governments.

The Central Bank of Kenya regulates and supervises them. Kenya's banking system continues to evolve, and the uncertainty of this irregular shift complicates the situation. For the previous five years, a noticeable pattern of diminishing profitability, losses, and multiple occurrences of receivership has become a source of worry in the banking sector. Recently, there has been a significant shift in government policy regarding banks. The imposition of a cap on the interest rate paid on borrowed funds has forced banks to ponder their future steps. Recently layoffs in several of Kenya's top commercial banks, business process reengineering, and an emphasis on internationalization all point to challenging times for Kenyan banks . (Jardioui et al ., 2019).

International trade of firms, increasing market interconnection, agency banking expansion, and digital payment platforms have all resulted in fierce competition in all sorts of enterprises. Organisations, particularly banks, must constantly adjust to the fast-changing and often unexpected business landscape in order to remain competitive and produce above-average earnings. In order to accomplish both short and long term goals, organisations must develop, approve, and effectively implement relevant strategies. Survival in today's rapidly changing corporate environment of rapid change and rising complexity necessitates increased competition in all facets of performance of the .

Increasing central bank controls on banks and other financial institutions, such as establishing a minimum core capital of one billion u.s. dollars, interest limits, and the worldwide financial crisis of a few years ago, continue to make the lending business climate in Kenya difficult. Whilst it has had an impact on bank operation, there are still certain underlying concerns, such as strategy execution, that may continue to impact bank performance in Kenya. Organizational communication, regulatory frameworks, and short-term goal formulation, in particular, and how they influence the link between organizational culture and performance. (Jardioui et al ., 2019).

A bank takes deposits, consolidates them, and loans them as credit. Deposit-taking financial institutions are permitted to accept, keep, and lend deposits. As a result, they play a crucial role in disseminating central bank monetary policy across the financial sector. According to Gathu (2017), a commercial bank may refer to a section of a big bank that focuses on loan disbursements to businesses or large enterprises rather than individual individuals. Investment banks vary from commercial banks in that they assist other firms

generate capital using securities such as bonds, but they do not lend money to such entities. Money borrowed is typically the primary source of financing for banks.

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 (Kariuki & Kamau, 2016).

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 (Teixeira et al ., 2019).

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 percent 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 (Koskei, 2016).

As per a Central Bank of Kenya (CBK,2015) analysis, there were seven banks with a 58.1 percent market stake, Twelve medium banks with a 32.43 percent market portion, and 23 small banks with a 9.24 percent market portion. The number of automated teller machines fell by 2.3 percent. This was motivated by the desire to cut operating costs. Furthermore, the sector's pre-tax earnings fell by 5.03 percent CBK (2015) from the prior period. This contrasts with a 9.2 percent increase in overall net asset growth, which was fueled by a rise in lending activities (Abd Aziz et al, 2016).

According to Afandi (2017), loan growth was driven by rising credit demand, while client deposits climbed by 8.7%. According to CBK (2015), as of December 30, 2014, the financial sector includes 43 banking institutions (42 institutions and one personal mortgage

finance company), Eight branches of overseas banks, 12 Microfinance Banks (Micro financing), 3 CRBs, 15 Cash Transfer Services, and 79 FX bureaus. 40 of the 42 financial institutions were privately held, with the Kenyan state having a controlling position in three of them.

The numbers of local public banks in 2015 remained the same as in 2014. These institutions were determined to be accountable for 4.5 percent of total asset value in Jan 2015, down from 5.0% in 2014. The drop was caused by lower revenue growth as a result of capital constraints encountered by public banks. In December 2016, there were 25 locally owned banks, compared to 28 in Nov 2015. The breakup of Dubai Bank and the receivership of Imperial Bank have reduced the presence of local commercial banks. National financial firms account for roughly 64 percent of total net assets, a little increase from 64.1 percent the prior month. Rising loan growth led in an increase in lending operations, which constitute the bulk of the firm's assets (Muriithi & Waweru, 2017).

The network of branches increased by 80 in 2015, from 1,443 in 2015 to 1,523 in 2016. Nairobi witnessed the biggest increase in branch count, with 38 branches, following by Machakos and Mombasa, every with seven extra divisions, and Kajiado, as previously reported, with six more branches. Nineteen of the 42 counties surveyed saw an increase in the number of branches. This was less than the 26 counties that increased their network of branches in 2014. Other financial delivering services alternatives, such as mobile money, internet banking, and agent financial services, have led to a slowdown in traditional bank branch expansion. (Muriithi & Waweru, 2017).

As per Muriithi and Waweru (2017), the banking industry has retained its growth pattern, notwithstanding the size of Ksh's assets. Ksh advances and loans totaling 2.2Tn. 1.3Tn, with Ksh serving as the deposit basis. 1.7 trillion, with benefits far outweighing the Ksh levy. As of June 30, 2012, there were 53.3 billion. There were 15,893,628 deposit account accounts and 2,098,658 bank accounts within the same time period. Growing competition from new competitors, competing from non-traditional causes such as co - operative and micro-finance institutions, change in consumer choice, the CBK (Amendment) Act 2000 (Donde Bill).

As per Ogada (2021), the banking sector's performance declined in 2019, with earnings before tax dropping 6.61 percent from Ksh. 141.2 bn in December 2018 to Ksh. 134.0 bn in December 2018. Profitability might well have fallen in 2018 due to a faster growth in costs than in income. In the fiscal year ending December 31, 2019, the bank's income grew by 9.2 percent while its costs rose by 16.2 percent. Bank earnings declined in 2019 as a result of lower loan growth, increasing by 11.7 percent compared to 22.8 percent in 2018. Nonetheless, the worsening credit picture was countered by increased earnings on interest & loans.

1.2 Statement of the Problem

The banking industry is anticipated to promote the implementation of the 2030 vision by guaranteeing that there are effective financing facilities and growth incentives that will establish thriving and internationally successful finance services in Kenya.

Worldwide competitive monetary solutions in the financial industry will be realized only if banks manage financial crisis properly (Okech & Mugambi, 2016). According to

Muriithi and Waweru (2017), the banking industry is the motor that promotes economic progress by allocating resources efficiently to levels of organisation in any country, leading in international competitiveness. Banks are the primary source of funds in the financial system and produce an effective system.

Even after this, over 10 banking firms in Kenya were either closed, dissolved, or placed under management by the Deposit Protection Fund Board between 2004 and 2016. This means that, on aggregate, a banking firm failed per year for the past 12 years, which is a concerning trend. Furthermore, the financial institutions classified strong decreased from 23 banks in 2013 to Eleven banks in 2015. Kenya's rate of investment was less than 25percent of Gross domestic product from 2005 to 2014, making it the lowest in the peer group, with the exemptions of Bangladesh and Bangladesh (Lopez & Ramos, 2017). Based on this data, the Kenyan banking industry appears to be suffering performance highs and lows due to contingencies (Musembi et al., 2016).

According to Auma (2014) this situation presents a grave concern to the achievement of the AU agenda 2063, Kenya's Vision 2030 and the Big four agenda within the National and County Government levels. Commercial Banks are expected to greatly contribute towards realization of the UN Sustainable Development Goals. The Goals now face an annual funding shortage of USD $2.6T. According to the 2020 African SDG Rating, Northern Africa is the best-performing area, whereas Central Africa is by far the worst. Mauritius, Tunisia, Morocco, Algeria, Morocco, and Cabo Verde are among the highest achievers, although they are already at least 35 percent of the way to meeting the SDGs by 2030, and their ratings have not improved significantly since 2015. Tunisia received a score

of 71.43, Morocco received a rating of 70.52, Mauritius received a score of 66.70, Algeria received 70.85, Cabo Verde received 68.13, and Kenya received 60.59.

The Global Competitiveness report ranks Kenya 95th globally, Rwanda tops Africa in terms of functional quality, with a rating of 64.5, trailed by Mauritius (62.7), Namibia (57.3), and Ghana (55.6), the most successful economy in Western Africa. Mauritius comes 49th in the world.

Earlier research has demonstrated strategic contingency factors are significant engines for business success Organisations aim to adapt their operational factors to contingencies to maintain high output and prevent loss arising from misfits whenever contingencies shift (Dropulić, 2013). Moreover, prior research studies indicate that the measurement of strategic contingency factors lacks specificity and reliability by not offering a clear guide on the contingency factor impact (Abou-Moghli et al, 2012). Studies have concentrated on the financial aspect of performance neglecting the non-financial aspect such as the environment (Dropulić, 2013).

Furthermore, Kihara et al. (2016) investigated the influence of strategic contingency variables influencing the success of big manufacturing firms in Kenya According to the research 's results, organizational structure has a considerable effect on the performance of big manufacturing enterprises in Kenya. The organizational structure of big industrial enterprises in Kenya was shown to be positively connected to their performance. Dynamic Capabilities were also discovered to have a favorable and considerable effect on the performance of Kenyan major manufacturing businesses. The findings of the study on the link between leadership traits and organizational performance demonstrated that leadership

characteristics had a positive and substantial effect on the performance of big manufacturing enterprises in Kenya. The research concentrated on manufacturing enterprises and employed a descriptive research design, revealing contextual gap and methodological gap.

Kariuki and Kamau (2016) investigated the organizational factors impacting the adoption of SMA practices in Kenyan manufacturing enterprises According to the research findings, the level of industry rivalry and the usage of sophisticated manufacturing technologies have a substantial effect on the adoption of SMA among Kenyan manufacturing enterprises. Lukosch and Comes, (2019), employed a quantitative research approach, whereas Kariuki and Kamau employed a diagnostic research methodology. However, in this study, the researcher utilized the descriptive and causational research approach.

Most of the previous research discussed above had both contextual and methodological shortcomings, as seen by the following. None of them had investigated the connection between information technology, organizational structure, competitiveness, and regulation of banks and organizational performance of commercial banks in Kenya on a broad scale as undertaken in this study. Similarly the studies adopted a quantitative research design and diagnostic research design. This study adopted descriptive and correlational research design and focused on commercial banks in Kenya, in addition strategic fit was used to moderate the relationship between strategic contingency factors and organizational performance. It was against this background the study sought to fill the existing conceptual, contextual, and methodological gaps by adopting a broader approach both in context and research design approach.

1.3 Purpose of the Study

The purpose of the study was to examine the association between strategic contingency factors, strategic fit and the organizational performance of commercial banks in Kenya with an aim of making recommendations that will improve the overall performance of commercial banks in Kenya.

1.4 Objectives of the Study

General Objective

To investigate the association between strategic contingency factors and the organizational performance of commercial banks in Kenya.

Specific Objectives

The research has been driven by the following primary goals;

i). To establish the relationship between organizational structure and the organizational performance of commercial banks in Kenya.

ii). To assess the relationship between information technology and the organizational performance of commercial banks in Kenya.

iii). To examine the relationship between regulation of banks and the organizational performance of commercial banks in Kenya.

iv). To determine the relationship between competition and the organizational performance of commercial banks in Kenya.

v). To establish the moderating effect of strategic fit on the relationship between strategic contingency factors and organizational performance of commercial banks in Kenya.

1.5 Research Hypotheses

The study tested the following hypotheses:

Ho_1 There is no significant relationship between organizational structure and organizational performance of commercial banks in Kenya.

Ho_2 There is no significant relationship between information technology and organizational performance of commercial banks in Kenya.

Ho_3 There is no significant relationship between regulation of banks and organizational performance of commercial banks in Kenya.

Ho_4 There is no significant relationship between competition and organizational performance of commercial banks in Kenya.

Ho_5 Strategic fit has no significant effect on the relationship between strategic contingency factors and the organizational performance of commercial banks in Kenya.

1.6 Justification of the Study

The banking sector's rivalry has increased. As an outcome of established firms' innovation and new banks joining the market, the banking sector has seen increased competition. The worldwide economic crisis, and also government laws, have resulted in new rules and issues for the industry. Banks play a vital part in any economic growth of the nation since they provide financial solutions. Nevertheless, the operating climate for banks in kenya has been turbulent and aggressive, resulting in the collapse of three banks in the past 5 years.

Identifying the best strategy to help the industry function effectively is thus a primary responsibility. From internal variables to CBK laws, there is a need to strike a balance in how effectively the industry should work. As a result, this study is helpful in determining

if strategic contingency elements are important in obtaining increased performance. The research also was relevant in proving the importance of strategy fit in regulating commercial bank performance.

Moreover, the survey's conclusions have a variety of advantages. The research is critical to the state, which is represented by the appropriate departments and other parties. This is due to the fact that the findings of this research might be applied by the state, through various ministries and other partners, in policy formation that might improve corporate operations and increase market share. As an outcome, the survey's findings and recommendations can serve as guidance for the development of these policies.

Furthermore, the research will add to the body of knowledge in the fields of strategic contingency variables and performance of banks. As a result, this study is significant to academics and scholars since it will be used as source material in the domains stated. In addition, the study revealed gaps in the literature for future research that future researchers and academicians might endeavor to address.

1.7 Limitation of the Study

The research faced various impediments data gathering stage as a result of insufficient information from the respondents as the majority of them feared that confidentiality in information might not be upheld by the research assistants. They also feared victimization, however, the above were mitigated by first getting permission from the relevant authorities including the bank management before proceeding to the data collection exercise. The researcher assured the participants of confidentiality and asked them not to write down their names on the research tools.

The researcher further got a letter of approval from the Institution which helped to convince the participants that the data gathered was strictly for educational investigation reasons and would be handled with confidentiality. A research permit was also issued from NACOSTI before the start of the collection of data. To guarantee that the participants receive correct data without apprehension of violation of privacy, the researcher informed participants that the data obtained, and also their identity, will be maintained in compliance with the ethical nondisclosure standards that the researcher will uphold, including assured approval to participate in the research.

1.8 Scope of the Study

The study sought to examine the relationship between strategic contingency factors and the performance of commercial banks in Kenya. Specifically, the study sought to establish the effect of legal factors on the performance of commercial banks in Kenya, to assess the effect of technological factors on the performance of commercial banks in Kenya, to determine the effect of competition factors on the performance of commercial banks in Kenya, to examine the effect of the regulatory environment on the performance of commercial banks in Kenya and lastly to establish the moderating effect of strategic fit on the relationship between strategic contingency factors and performance of commercial banks in Kenya.

The study was conducted in commercial banks in Kenya at their headquarters in Nairobi County as outlined in appendix iv. The study also relied only on the primary information that was derived using a questionnaire from the respondents (heads of departments). The study hence targeted 41 operational commercial banks. The research adhered to academic timeframes and the timeframe specified by the research licensing government body,

National Commission for Science, Technology, and Innovation (NACOSTI), requiring the research to be completed between December 2020 and June 2021.

1.9 Significance of the study

The study outcome will add to existing data on the effects of contingency factors on the Kenyan commercial banks' organizational performance. To date, most researchers have focussed on contingency factors in developing economies. The research is set to grow more in this field. The research is expected to establish and evaluate a conceptual model that can be applied to the Kenyan situation in terms of the relation between contingency factors and results.

1.10 Assumptions of the study

Numerous assertions were used in order to achieve the study's aims. The research anticipated that the participants in the survey would comprehend the queries they were answering to consequently the information is supplied would be credible. The analysis also assumed that the intended strategic contingency variables were in place at the banks. Other research presumption was that selecting commercial banks as the target population rather than all financial sector stakeholders did not alter the quality of data obtained owing to bias.

1.11 Operational Definition of Terms

Competition	Operation or state of striving to achieve or win anything through overcoming or gaining dominance over other enterprises (Kaufmann et al., 2017).

Contingency factors	Reference is made to current explanatory parameters and economic, institutional, and administrative backgrounds (Maletič et al., 2018). In this analysis, both environmental factors and lengthy institutional capacity and variables are contingency factors.
Information technology	It refers to a broad range of computerized technologies that enable communication and electronic capture, processing, and delivery of data. These technologies involve services and products such as personal computers, notebooks, mobile devices, network capabilities intranet, business efficiency tools, data storage and protection, information security, among many others (Auma, 2014).
Organizational performance	Organizational success shall be the actual production or outcomes of the company as calculated against its expected outputs. Organizational efficiency includes three basic areas of firm performance: revenue growth; market performance; and stock performance (Liozu & Hinterhuber, 2013),
Regulations	Refers to the laws laid down by a state or other body to regulate how business is conducted out (Kihara et al., 2016).
Organizational Structure	Is a framework that describes how various tasks are aligned towards accomplishing company objectives. Tasks such as the laws and the

responsibilities. The structure in addition describes how knowledge is transferred across various business levels (Mathenge, 2017).

Strategic Fit Identified as implementing a plan by recognizing opportunities in the global market and adjusting resources and expertise to achieve success (Agyapong et al., 2019).

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This section discusses literature relevant to the current study. It comprises of theoretical orientation, empirical review, conceptualization and, operationalization of variables.

2.1 Theoretical Orientation

Aldhamari et al. (2020) claimed that a theoretical structure directs the study in deciding which analytical parameters ought to be evaluated. The theoretical review thus allows the author to see the study variables, it offers a general context for the analysis of data and aid in the choosing of the appropriate research design. The theories that underpinned the variables were contingency theory, contingency 'fit' theory,

Contingency Theory

Contingency theory states there is no better approach to structure an organization to manage it or to make the decisions. Alternatively, the best approach is contingent (depending on) on the environment. Contingent leaders are successfully adapting various types of leadership to the right circumstances. The concept was coined by Lawrence and Lorsch in 1967, they argued that the extent of uncertainty and the level of transition in the environment, affected the creation of features internally within entities.

The theory provided a key blueprint for the research of organizational design (Otley, 2016). It maintains that the most efficient institutional structural design is where the system aligns with the contingencies. The limitation surrounding the theory is that it is static and does not address changes at the organization level. The core of the theory is that it is static in

the manner that it dwells with how the static nature of fit among structures and contingencies tends to cause high performance (Alexander, 2017).

Contingency theory, nevertheless, assumes that varying solutions can prove beneficial under distinct contexts. This may be viewed as one of the key observations of the theory since rather than promoting widely accepted organizational management concepts, the theory aims to show that varying situations involve varying institutional structures The acknowledgment that Migdadi and Abu (2016) adopted the contingency option (with an incentive for tactical decision) also illustrates the importance of the theory. The word 'contingency theory' was originally stated in the publication of Lawrence and Lorsch in 1967, in the sense of institutional structure.

The theory of contingency did play a leading function in the corporate practice of the 1970s. It evaluated the correlation between the institutional structure and the operational parameters utilizing the comparative empirical analysis technique Alfraih et al.(2017) concluded that corporate bureaucratic systems were not streamlined and that separate institutions were organized in varying manners Contingency theories associated with institutional structure recognizes the strategy, the environment, and the organization size as contingency factors. This theory, therefore, underpinned the study and also instigated research objective seeking to establish the relationship between organizational structure and the organizational performance of commercial banks in Kenya. (Migdadi & Abu 2016).

Diffusion of Innovation Theory

The theory is crucial to understanding the necessity for companies to introduce innovations and the application of IT-related innovations to the social structure (Rogers, 2003). The theory suggests that creativity is seen as a revolutionary concept that seeks to improve the way the business works. It is via on mechanism that a given type of technology flows and spreads throughout the social structure.

In addition, the theory outlines the main qualities that affect the effective spread of IT-related innovations. These qualities comprise the trialability, observability, compatibility, and complexities as well as the perceived usefulness of the system. The relative edge is the degree to which a new idea or concept is perceived to be more unique than a rendered obsolete idea. Compatibility is a function that shows how well the innovation is consistent with the company's principles. Complexity is the extent to which a specified method of the invention is considered to be too difficult for both comprehension and usage. Trialability is the extent to which an innovation can be tried up or rather, experimented on a bounded scale. Lastly, the degree to which innovation results and after-effects are visible and perceptible to other individuals is measurable (Rogers, 2003).

IT technologies appear to spread more quickly and widely when consumers have a positive view that they are better off and associated with fundamental principles (Rogers, 2003). This is why Agyapong et al. (2019) idealize that their outputs and inputs must be shown to be observable and acceptable to consumers before IT-related technologies can completely take form in the industry.

Additionally, IT-related innovation ought to be somewhat easy to using and therefore attracts consumers. This implies that IT technologies should have the advantages of being

actively embraced by their potential recipient. The innovation (diffusion) theory is significant and applicable to this research as it describes how IT is disseminated in a the environment. IT developments lead in better forms of goods and services that are effective cost-wise and therefore improve the profitability of businesses. In addition, IT developments aim to deliver more avenues via which bank clients can have the access to the services rendered with maximusm hours. For example, ATMs, phone and online banking have made it easier for consumers to exchange for 24 hours, leading to a rise in the number of transactions undertaken daily. This has, in addition, led to a rise in revenue for financial institutions from the expense of each bank transaction. In addition, the innovations have enhanced bank profitability due to expanded distribution platforms and decreased operating costs as a result of improved efficiency in the delivery of services to customers (Kamau, 2010).

More than that, by utilizing the efficiency of IT, companies can boost productivity and improve their income due to reduced expenses. According to Agyapong et al. (2019) , the advantages of IT developments are two-fold: one is it is a tool for reducing operational cost while the other is a tool for business and product growth. This indicates that IT developments help to draw more consumers to the company's goods and therefore save banks a large number of operating costs. Kihara et al. (2016) cites that ICT technologies like online banking, electronic payments, electronic payments, online banking, and mobile banking have contributed to developments in quality service delivery among customers. This increase provision of service is noticeable in the increase in customer’s expectations.

In addition, Kariuki (2005) suggested that the adoption of ICT by lenders has related to an increase in the range of the latest effective and low-cost financial products through service

innovation. This innovation was facilitated by the reality that the banks treated ICT as a value-creation mechanism because it provides the key to strategic competitiveness. In addition, these service advances have resulted in improved efficiency due to a reduction in costs attributable to the continued evolution of ICT-related innovations.

In addition, Gathu (2017) argues that ICT has provided a versatility advantage that has resulted in an upturn in the innovation level through the development of new and unique mobile services and products, new knowledge, and the discovery of emerging and untapped markets that have provided a competitive advantage to companies. In addition, this strategic value was further related to the degree of convergence of their corporate strategy with their business organization's ICT strategy. In addition, Gathu (2017) argues that ICT has provided a versatility advantage that has resulted in an increase in the level of innovation through the development of new and unique mobile services and products, new knowledge, and the discovery of emerging and untapped markets that have provided a competitive advantage to companies. In addition, this strategic value was further related to the degree of convergence of their corporate strategy with their corporate organization's ICT strategy. The result was that ICT was a crucial driver for companies as it resulted in advances that led to an increase in the value of a company's goods, intending to gain a competitive advantage over rivals.

In summary, information management is vital for businesses to boost efficiency. This day, much focus has been put on the creative implementation of IT as a key means of strategic success and survival. These emerging innovations have profoundly transformed the essence of the innovation process by performing innovative tasks and developing new methods of producing communicating and utilizing information. This theory, therefore,

promotes an IT-driven innovation process which, if applied, can be a source of competitive edge for the firm. This theory is applied to the present research, as it studies the efficiency and competitiveness of the business setup. This theory instigates the second research objective that sought to establish the relationship between information Technology and organizational performance of commercial banks in Kenya.

The Neo-Classical Theory of Markets

According to Mortensen and Arlbjørn (2012) the theory traces back to the pioneering contributions of El-Sayed Ebaid (2009). It is claimed that based on the firm's or purchaser's ability to control prices, markets can be either oligopolistic, competitive, monopolistic, monopoly or monopsonistic (Pasinetti, 2020). Under perfectly competing neither the seller nor the buyer (company) can control the price of the quantities in question whereas within monopoly the dealer (company) has the complete authority to set the prices of the quantities in question . Competition measurement is thus a measure of the ability of a company to control prices (Mortensen & Arlbjørn ,2012). Under optimal competitiveness, the ability to control prices is zero and the monopoly is the limit. Competition and the ability to control prices are opposite. As such, competition is the greatest when the structure of the market is perfect market and at the very least monopolized. This theory instigates the third research objective that sought to establish the relationship between competition and organizational performance of commercial banks in Kenya.

Public Interest Theory of Regulation

The very first category of regulatory theories accounts for legislation from the public interest perspective. Furthermore, this interst is defined as the absolute optimum allocation of limited resource (s) for collective and individual goods. According to the principle of

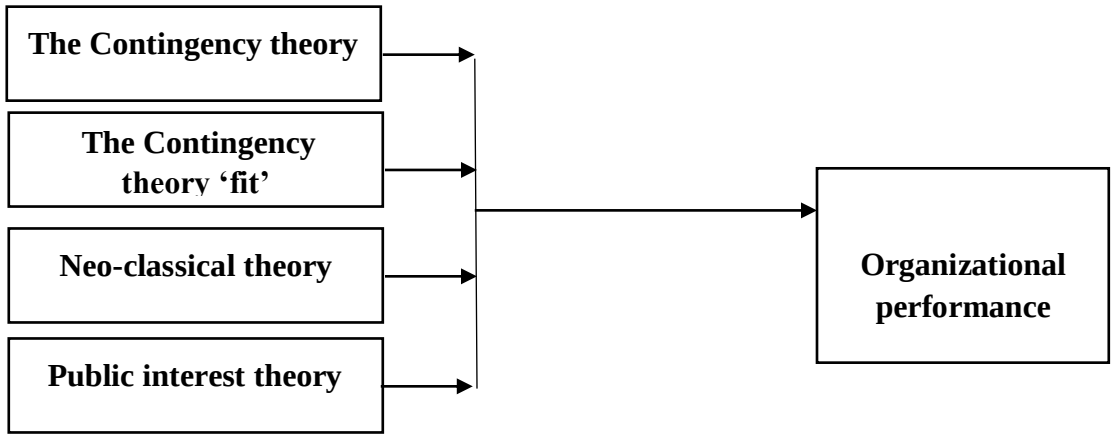
public interest, state control is a tool for resolving the drawbacks of imperfectly competitive markets, unstable market activity, lost markets, and adverse market outcomes. In the first place, regulation will increase the distribution by encouraging, sustaining, or trying to imitate business operations. The exchanging of goods and the factors of production on the markets presupposes the concept, distribution, and affirmation of individual property freedom and the right to contract (Dur & van Lent, 2018). The assurance of property rights and any required implementation of compliance with the contract can be coordinated more easily jointly than independently. Secondly, regulation is effective in leading to the stability of market activity and the later accomplishment of market balance. Economic imbalances arise at the level of different markets and the macroeconomic scale (Ahmed et al, 2019).

Public interest theory was highly critical of the part played by regulators. Claims have been made that, sadly, policymakers frequently represent the needs of the sector they are meant to control regardless of genuinely controlling the sectors for the good of the customer. Ideally, those running these entities should have a broad, strong understanding and experience in the specific sector they wish to regulate. It follows, however, that such individuals are derived from players of the industry as either ex-staff, potential employees, or employees on temporary assignment to the regulator. Consequently, there is undoubtedly a near partnership among policymakers and sectors. It is claimed that these individuals ultimately end up becoming gatekeepers for market players, thereby making a parody of legislation. In what Jordan referred to as the catch theory of regulation, the point is that legislation does not resolve market imbalances, but instead meets the interests of consumers by forming cartels or attempting to eliminate monopoly.

The theory of public interest describes regulation from a perspective that is not limited to imperfect competition and unbalanced market activity. For a variety of factors, there might be no markets for such goods in which the utility or willingness to pay exceeds the cost of production. Markets can not occur as a consequence of information issues and transactions fees in the event of external consequences and social utilities. Regulation can increase the allocative productivity of the economy in such cases. Missing markets can be compensated for by secret information or asymmetrical distribution of data on costs, amounts, or quality of products (Johnston, 2017). In addition to knowledge errors, extremely expensive transaction costs may also lead to missed markets. For instance, transaction costs can delay the development of demand for effective use of the environment. In a market economy, capital is utilized effectively as the supply of products rises till the marginal cost is equal to the total benefits of output. This theory instigates the fourth research objective that sought to investigate the relationship between regulation of banks and the organizational performance of commercial banks in Kenya.

Figure 2. 1

Theoretical Framework



2.3 Empirical Review

Organizational Structure

Organizational structure is seen as the firm's anatomy, providing a basis upon which the firm performs. It is thought to influence the conduct of organizational members. This idea is founded on straightforward analogical evidence. Halls, stairwells, entrances, exits, roofs, and walls are all features of buildings. The structure has a significant impact on the actions of the people who inhabit it. The method for alignment is strategy, and the structure is the company's functional operations. The conventional definition of organizational structure is the manner an institution is organized as working groups and the recordkeeping and authority relationships that connect individuals of the company (Joseph & Gaba, 2020).

Various parts of the structure are frequently described: certain schools of thought have attempted to explain the structure as a formal arrangement of responsibilities and processes.

However, Chavez et al. (2020) define structure as "the structured patterns and relationships and procedures of interactions in an organization for assessment and control." Structure, under Max Weber's theory of bureaucracies, may be characterized as a functional component of the framework, represented by exact and impersonal assignment norms and authoritative relationships. Kaufmann et al. (2017) emphasized the representational hierarchical features of the organization as complexity, systemization, and centralized. Any institution is a structure inside a structure because it requires the cooperation of others, including suppliers, consumers, rivals, and the legislature to function and exist.

The structure, according to Valaei (2017), includes two components: the channels of authorities and communications in between various administration buildings and officials, and the data and information that flow across these connectivities and authorities. When an organization's structure aligns with the changes in its environment, it can attain peak organizational performance. The conventional definition of organizational structure explains it as the manner an institution is organized into work group relationships that connect them smoothly. To attain the required organizational performance, the structure of an organization and procedures must fit/match their environment. There is scientific proof that businesses with superior structural organization fit outperform those that do not (Joseph & Gaba, 2020).

Numerous studies have progressed the observations that greater formalization leads to decreased organizational performance and also that centralized judgment might still work much better in stabilized public circumstances. They also concluded that decentralized judgment in organic-oriented institutions performs better in privately owned businesses. Organic structures, on the other hand, exhibit additional flexibility, straightforwardness,

very few documented procedures and guidelines, and are best suited to more varying conditions and advancement. Decisions are made at all tiers of an institution. The structure is highly probable to boost employee satisfaction and, specifically, the effectiveness of persons with a high proclivity for superiority, accomplishment, or independence (Kaufmann et al. 2019).

In the particular instance of a matrix organizational structure, it is critical to motivating mid- decision-makers; otherwise, they will be forced to intensify continuously, resulting in delays, costs, and unhappy customers. The institution will be unable to describe defined roles and responsibilities and procedures because top executives must handle continuous uncertainty, trade-offs, conundrums, and modifications in priority areas owing to red tape and bureaucracy. These concepts and principles, nevertheless, are based on several premises. For starters, scale tends to institutionalization, bureaucratic, and a much more mechanical mode, and this approach is better suited to a stable situation. Second, in a much more changing situation, the centralized and mechanical organization may be incapable of adapting and making timely and appropriate judgments. It is critical to recognize that even huge companies nowadays must be dynamic and centralized (Chavez et al., 2020).

A sound decision is nearly difficult in a company with hundreds and thousands of employees from various cultures, time zone differences, and functional areas. As a result, even in a relatively stable and regulated setting, it is critical to ’s role for quality in inspiring customers ’ loyalty, stimulates commercial success, and protect the firm from any eventualities (Kaufmann, 2017).

Institutions distinguish to manage a larger range of eventualities, to include the essential talents and resources for adaptation and innovation and include the people of different backgrounds required for ongoing creativity and innovation. Successful rivals base their approaches around a strong understanding of a few well-developed core abilities rather than products. There seems to be agreement that institutional coherence throughout operational and interdisciplinary specializations leads to greater company capabilities, which leads to improved organizational performance. As a result, it may be hypothesized that a complex match between corporate structure and strategy allows an entity to successfully address environmental variables for eventual improved firms' organizational performance (Bai et., 2017).

The structure is the inner arrangement of connections, control, and communications within the organization. It is regarded as the manner duty and responsibility are assigned within the institution and working processes are performed by members of an organization. Chavez et al. (2017) describe management structure as "the system of interactions and functions that exist across the organization." Particular working connections between individuals and their occupations are required to attain that goal efficiently and successfully. Furthermore, the framework is significant because it helps individuals understand their point of view and function in the organization's operations, as well as who people engage and whom they engage with to complete the business's job.

The fundamental components of this research are the four characteristics of company structure. The components are the ranks of the hierarchies and the location of the decision-making process, accordingly. The number of tiers in a hierarchical structure reflects many more vs. how very few divisions there are in an organization's hierarchy. The more levels

there are in a corporation, the more complex the corporate structure becomes. Operations which must be driven through additional levels take considerably longer and are continuously taken by those who aren't in the ranks. The contemporary trend towards flatter companies is a tacit recognition that intricacy will affect adaptability and can stymie an institution's capacity to operate in a time-based market (Kim & Shin, 2019).

The vertical loci of making decisions involve power in the company are referred to as the loci of making decision authority. The stress on staff empowering or independence both in scholarly and professional fields has underlined the relevance of lower loci of decision-making in current times. Decreasing layers and enabling low-level workers to make decisions previously made by hierarchies are frequently done in tandem. The third organizational structure element is the degree of institutionalization, which reflects the extent to which personnel is subjected to policies and procedures that limit but just don't stimulate creative, independent working and learning (Fitria et al., 2017).

Many businesses that have sought to shift towards process improvement believe that this does bring numerous benefits, such as cost reductions via more effective job execution, increased client focus, greater integration throughout the company, and so on. The significant benefits of a management structure over a functional one are the inexpensive development of business operations and the reduction of processing times, and also the company's substantially enhanced flexibility and better customer experience (Levina et al., 2017).

Optimizing touch among processes is a significant source of procedure advantage, which can happen only when procedures are well specified. A process orientation reduces cycle

time by coordinating activities across divisions effectively. A process organization also reduces certain expenses. Lesser inventory and speedier cash receipts are associated with shorter time cycles. Lesser stocks and cash retention expenditures result from lower cash flow. Other costs are reduced as a results of the reduction of cross-departmental task duplication. In a process company, such duplication procedures are removed by checking inputs once for all operations (Joseph & Gaba, 2020).

Employing structures as a way of organizing and functioning in a company can enhance internal collaboration and break down functional divisions that are common in most businesses. According to studies, increasing collaboration and decreasing conflict improves a group's short and the long success. Moreover, the more commercial procedure a company is, the more it operates either generally and from the standpoint of its workers (Levina et al., 2017). Scientific research has extensively investigated the relationship between organizational structure, its different components, and financial success. The one most significant factor of organizational structure is organizational size, innovation, or context.

Levina et al. (2017) investigated the relationship between corporate culture and business organizational performance. They saw culture as a control tool in Malaysian publicly traded companies. To do this, a company must have a strong corporate culture that is capable of clarifying the company's aims and procedures. They discovered that a strong company culture may improve economic organizational performance, that economic strength leads to a healthy organizational culture, that culture and productivity dictate each other, and that the link connecting performance and heritage strength is bogus.

Kim and Shin (2019) used regression analysis to evaluate the impact of different organizational structure features on the financial survival of 176 financially challenged Caribbean companies from 1988 to 1996. Their research established that companies that replace their CEO with an external director will be more than thrice as likely to fail. Higher levels of insider control are connected with a higher chance of company longevity. A complicated organization necessitates more interdepartmental collaboration laterally either between divisions vertically. The higher the complexity of an organization, the greater the requirement for communicating effectively, cooperation, and decision-making.

The research by Alfraih and Almutawa (2017) presents a longitudinal assessment of voluntary disclosure procedures in Kenyan annual reports from 1992 to 2001. Their research looks at how institutional structure characteristics, management group, and corporate factors affect the disclosure of different forms of information. Due to the panel structure of their information, they utilize pooled Ordinary Least Square (OLS). The findings show that institutional structure traits, institutional ownership, and company characteristics affect disclosures of all pieces of data. The findings also show that size and agriculture sector firms are substantially linked with voluntary sharing of all four categories of information releases.

According to Silvio (2019), strong business procedures are the greatest for the banking business. As a result, he came to the obvious conclusion that the financial institution and its level of dedication will guarantee that its operations and procedures are carried out with impeccable credentials and under the law and established accounting standards. The study discovered that the political composition of the different councils, the method in which audit procedures are done, and the management techniques used by the authority's heads

all had an impact on the financial performance of the public bodies. Supported by evidence from China and Austria, Wu et al. (2012) did a study on the association between structure and organizational performance, particularly, the research looked at innovation and organizational learning. The results confirmed the significance of positioning infrastructure-wise of organization-related structure on firm performance. Firstly, the organizational structure was found to be having fewer effects on innovation than on organizational learning, the organizational learning effect on performance through innovation was indirect, except for the direct effect of organization-related structure on performance. Secondly, in Austria the managers had in mind that structure had a more significant impact on performance; both technical and managerial innovation determined organizational performance, however, in China, it was established that managerial innovation was not significant.

In Austria, firms were in preference of structural oriented-innovation, whereas in China learning oriented-innovation was preferred. Thirdly, in a knowledge-intensive or a hi-technology industry, firm structures influenced performance primarily through organizational learning and innovation. However, in a traditional industry, like capital or labor-intensive ones, the structure was found to affect performance primarily through innovation. Fourthly, for upcoming businesses, learning was quite important in determining the linkage between structure and performance, nonetheless, in older businesses, innovation was found to be the mediator between structure and performance. Lastly, it was established that managers at the senior level cited that through innovation, a structure directly enhanced performance. The junior and middle-level managers cited that learning significantly had a mediating influence on performance.

In Greece, Dekoulou and Trivellas (2017) investigated the impact of structural aspects on innovativeness and the consequences for consumers' affiliation values and economic effectiveness in the Business - to - business communication and ad business. Apprenticeships were found to increase businesses' ability to innovate. Innovation-related performance in the advertising B2B market promoted business clients relationship-related value and financial related performance. The performance was also found to be constructively influenced by profit relations with customer-related relationship-value.

Claver-Cortés et al. (2012) analyzed the attributes of the firm structure related to integrated competitive strategies. The research also looked at the intervening influence of the competitive strategy in the link between performance and structure. The results suggested that the integrated competitive strategy positively affected performance. Likewise, the complexity of the organization and the presence of formalization had a positive effect on the hybrid and competitive-related tactic, while centralization had an adverse influence. The structure of the organization had an indirect, effect on performance through a hybrid-competitive strategy.

Ferri et al. (2015) using a regression analysis studied the influence of the different characteristics of the structure and finance-related survival of 176 companies in the Caribbean from 1988-96. Their research showed that companies that the probability of experiencing bankruptcy was higher for organizations that had the chief executive officer replaced with a director without the firm, and that higher insider-ownership levels were positive and correlated with the probability of the organization's long-term survival.

Ferri et al. (2015) analyzed the effect of ownership structure on bank performance in Europe both before and during the recent financial crisis. Findings indicated that there

existed strong heterogeneity in firm performance among various stakeholder ownership groups, except in private savings banks. Loan quality and profitability improved relative to that of general shareholder-banks during the years of crisis. Findings showed that stakeholder model survival was a result of the competitive edges. The study outcome supported those arguing that organizational structures diversity is worth keeping. Pluralism in ownership must become a policy goal in the sector.

Muriithi and Waweru (2017) studied the organizational structure and financial performance of public companies, using the New KCC as an example, and found that an improved management chart will enhance financial results. Organizational structure practices include the nomination and direction of the board composition, the group's mission and principles, the power balance on the company, internal communications, and the evaluation of the board's competence and duties. This study therefore stated the folliwng hypotheis:

Ho_1 There is no significant relationship between organizational structure and organizational performance of commercial banks in Kenya.

Information Technology

Information technology is the digitization of operations, processes, and data created via the use of processors, communications, programming, and ancillary facilities such as ATMs and card payments. Many financial services, such as opening the account, client account management, and payment systems, and recordkeeping, have been transformed through the use of Technology. The physical equipment and programs that connect multiple computer

systems and transport data from one geographical place to the other are referred to as communications technologies.

ICT has changed the way people live, learn, work, and interact. Companies utilize ICT to develop innovative methods to operate and communicate information to gain a competitive edge. According to Abou-Moghli et al. (2012), information and technology is a multifaceted technology that encompasses the web, applications, hardware, computer, television, cellphones, emails, satellites, blogging, and network connection efforts. People utilize ICT to share, distribute, and obtain information to connect with others, either one-on-one or in groups, through the use of computers and associated networks. Businesses are expanding their investments in information and communication technology infrastructure (ICT) to increase performance. Businesses are increasingly investing in information systems (IS) to improve efficiency, production, and quality.

Nevertheless, most study on innovation has concentrated on manufacturing businesses, though emphasis has lately shifted to innovation in the service sector. Ab-Rahim(2016) stressed the significance of the management of relationship in their research work "Customer Focused in Online Banking." The goal of the banks ought to be that of maintaining the existing clients and at the same time seek to acquire new clients. To bring value to services and products offered, the sector should make use of the available technology quickly and productively however maintaining the costs of the products in mind. To attract consumers, contemporary banking ought to combine technology and use marketing techniques that allow banks to optimize revenues via satisfaction of the customer. In a competitive market, supplying the customers with the value-added is the main focus to achieve total and customer happiness in the long run.

With regard to online bank's profitability, Ab-Rahim et al. (2016) indicate that Internet usage increased community profitability of the bank in the United States, largely through payment charges. Tan and Anchor (2017) discover in similar research that internet banking is connected with lower expenses and increased earnings for a group of financial institutions over time. Both articles concluded that the Internet venue is a supplement to, instead of a replacement for, traditional bank outlets. The empirical work on SBCs has concentrated on the factors that influence bank acceptance and spread of this technology, as well as how SBCS affects loan availability. Two investigations looked at the statistical variables determing the chances and the timing of big banks adopting SBCs. The organizational structure has an essential influence on the adoption decision: financial institutions with fewer bank licenses and much more branches were more likely to embrace and to adopt soonest. This implies that SBCs were more likely to be adopted by major banks with a much more "centrally controlled" structure.

Vitorino et al. (2018) studied the assocaition between technical innovation and competitive positioning among Brazilian companies. The chosen design was descriptive. It was demonstrated that technology and innovation skills increased a company's competitive edge by providing them with learning capability, market capability, and allocation of resources capacity, production capacity, and long-term planning capacity. According to the report, firms should use the technology since it is a critical component for a firm pursuing success in its industrial area of operation. Technologies are an essential aspect for businesses looking to expand.

Auma (2014) conducted a research to determine if innovations influenced the profit of the banks and found that innovations had a statistical effect on the profitability. This indicates

that the cumulative influence of the innovations under investigation were significant in predicting the profitability of the banks. Banks increased their earnings potential and reduced expenses for further than a decade by implementing technologies including telephone banking, online banking, and, most lately, agency banking. Abd Aziz (2016) investigated the influence of computers mechanization on services in Lagos and determined that e-banking improved the services offered by several banks to clients. The investigation, nevertheless, was confined within Nigeria's six major commercial banks. He perfromed a comparative examination of old and the new generations banks and identified variations in the level of use of computerized equipment.

Kihara et al. (2016) performed research on the effect of innovations on the income of the Kenyan banks and indicated that the innovations had a moderate effect on income. Because technology innovation is being actively and continually embraced in Kenya, the state must continue to give additional incentives for academics to continue spending their time and talents in developing new bank breakthroughs. The researchers suggested that the state pursue a plan to give incentives for the transfer of technology from more and most emerging economies to promote the introduction of high technologies inventions. More money for the banks owing to the adoption of innovation therefore translateing to more jobs and an improvement in GDP, thus helping to the state's macroeconomic objectives.

Ahmed (2015) researched to determine if bank innovations impact the profitability of Kenyan banks and determined that bank advances had a significant effect on the profitability. This indicates that the cumulative influence of the innovations studied in this study was significant in predicting commercial bank earnings in Kenya. Banks have

increased their capacity in earning and reduced expenses for more than a 10 years by implementing banking thrigh the use of a mobile phone, internet, and use of agents.

Dang (2017) stated that the application of ICT and digital concepts, methods, regulations, and action plans to online banking has now become a matter of crucial significance and consideration for all financial institutions, and also a requirement for locally and globally competitive nature. IT has a direct influence on the way the managers arrive at key decisions, plan, and what services are available. It has evolved to make over the manner institutions and their business connections are structured throughout the globe, and also the array of new technologies accessible to increase the performance and quality of services.

According to Manski (2017) the digital revolution (ICT) encompasses all types of computing and interaction hardware and systems that used generate, store, convey, analyze, and manipulate data in its multiple formats, such as business data, audio discussions, still pictures, moving images, and multimedia. It also refers to technological devices that gather, analyze, store, and distribute data. Likewise, the use of Technology in robotic process automation, such as word documents, electronic mail, engaging social media, and videoconferencing, is rising.

Aldhamari et al. (2020) used a sampling of 55 local banks providing internet services in the six mid-western states of the US to investigate the influence of website design elements on local bank efficiency. By employing several regression models, the author used both descriptive and inferential statistics. The findings suggest that institutions with greater ICT accessibility outperform those with lower ICT accessibility.

Afandi (2017) used data gathered from 1183 local banks in Iowa, Minneapolis, Columbia, South Saskatchewan, and Southern Dakota to investigate the influence of internet banking apps on local bank efficiency in the U. S. For dataset analysis, the researchers used an economic model (Confirmatory Factor Model). According to the research, internet banking assists community banks in increasing their earning capacity.

Manski (2017) observed that the value of ROA for the financial sector in the United States rose by 51percentage points between 1993 and 2004 by examining the values of ROA. This finding shows that IT advancements, in conjunction with broad improving organizational and a variety of provided services, have contributed to increased income for banks. Non-interest costs were reduced by a significantly lower amount over the same time. It indicates that the value of cost efficiency has decreased by 13%. CITATION ?This implies that a wide range of businesses will necessitate increased IT capital investments and especially non-expenses.

Global technological innovation has benefitted Nigerian banks. The use of ICT has had an impact on staff performance as well as consumer responses. Zamore (2019) investigated consumer and staff reactions to technological innovation, as well as their implications on the performance of the banks. For the study, fifteen (20) large banks were chosen. Two null hypothesized relationships were developed premised on questionnaire forms administered to staff and customers to test if there was any meaningful correlation between technical advancement innovation and consumer fulfillment; as well as between technological innovation and employee performance. To evaluate the argument, 450 surveys were sent to clients, of that which 400 were gathered, representing 88.88 SOURCE? percent of the disseminated questionnaires. Chi-square was employed to

examine the theory. The results indicated that technology innovation affected bank staff performance, customer happiness, and bank profitability enhancement. The research advises better management of technological innovation for enhanced staff performance, client happiness, long-term profit, greater ROI, and rate of return, as well as to boost competition in the banking business.

Mensah (2017) used a financial statement data stream from 2011 to 2014 to study the influence of ICT on the performance of banks in rural Ghana. The influence of the predictive factors on the response variable was modeled using Panel Data Analysis. The research found that deposits, and also effectiveness, had a substantial impact on rural banks' net profit. This implies that in the context of effective ICT facility use, rural banks are much more inclined to suffer high deposit movement, therefore increasing their capacity to convert these assets into additional loans. Nevertheless, when it comes to depositing, the data indicate a negative relationship with return on capital invested but a positive relationship with rural institutions' operating income. The research discovers indication for a connection between ICT cost efficiency and rural area deposit accounts, implying that efficient utilization of their current national ICT infrastructure will massively increase the full extent to which regular customers make payments money with the financial institutions rather than constantly invest in innovative technological facilities.

Alexander (2017) used a multivariate regression to evaluate the effect of online banking on the industry performance utilizing survey data from 85 designated financial firms' sites in June 2007. Nevertheless, the findings indicated that profitability in the banking business when providing online banking had no meaningful relationship with general efficiency.

Alexander (2017) investigated the degree to which the other users of the technology assisted in the increase of overall efficiency in Tunisian manufacturing businesses, and how this has changed depending on the functions performed in various branches. The research examined firm-level panels data from Tunisia's industrial sectors to evaluate whether ICT adoption affects factor usage efficiency, primarily using the random effect technique. The findings showed that the factors in the technical inefficiencies business model served considerably to explaining the technical market inefficiencies.

The correlation coefficient of the ICT factor, which was negatively fairly significant at the 5 percent level, showed the influence of ICT use on technical inefficiency (technical efficiency). The efficiency and ICT variables were shown to have a definite positive connection. ICT, by exposing companies to more information on product features, current technology, and market dynamics, offered businesses with learning chances that allowed them to move up the learning curve faster than enterprises that did not use Information technology.

In their research on the effect of information systems on organizational performance in the Nigerian financial industry, Auma (2014) The research focused on 15 banks. A total of 450 workers were surveyed. Primary data was collected through questionnaires. The outcome showed that technology innovation has an impact on bank staff performance, client happiness, and bank profitability. It was advised that banks handle technological innovation effectively to enhance staff performance, client happiness, long-term profit, greater ROE, capital returns, and establish a competitive edge in the banking sector.

ICT has had a significant impact on today's business environment, and its use in organizations is ubiquitous. Auma (2014) researched the effect of ICT on the performance

of SMEs in the Kamukunji sub-county. A descriptive survey approach was used in this research. The licensed SMEs in the Kamukunji sub-county was the survey's target group. A sample of 101 SMEs was investigated, representing 10percent of the target group. The research relies on both secondary and primary data sources. Primary data were gathered through questionnaires. Central tendency (means and standard deviation) were utilized to evaluate how well the data agreed, while measurements of variance were employed to establish how much the data deviated from a central location. Content analysis was used to examine qualitative data and draw conclusions. Frequency charts, statistics, charts, and bar charts were used to show data. According to the survey, the types of IT tools in which businesses have invested to a large extent include telephone services, as evidenced by a weighted mean of 3.687.

Kihara et al. (2016) researched the influence of ICT initiatives at Equity Bank. This study looked into ICT methods for automated teller machines, online banking, and mobile banking. These methods were investigated in terms of their impact on financial firms' performance measures, specifically earnings before interest and taxes, client deposits, and efficacy. The survey's target group was 300 workers at its head office; the sample frame was taken from the CBK database, which supervises and licenses banking firms in Kenya; and a stratification sample was used to pick participants from their different clusters. The data demonstrated that ICT methods had a significant statistical effect on the income, profit, and client deposits of Kenyan banks, and significance tests confirmed this. The data also indicated that mobile phones had a greater impact on ICT strategy than Internet services when it came to affecting the performance of Kenyan banks.

Ahmed (2015) studied the impact of technological advancement on the profitability of Kenyan banks. There were 43 commercial banks in all. A census was carried out as part of the research. According to the findings, the use of technological innovation has made it easier for employees to obtain information and has provided convenience. It was also discovered that there was a link between technical advancement and profitability.

Dahabreh et al. (2020) used collected data from the financial sector in the Us States from 1966 to 2002 to analyze technological advancement and its consequences in the financial sector. The researcher used a multiple linear regression model, and the results showed that advancements in loaning volume expenses owing to enhancements in "back – office" technology solutions, and also consumer benefits from enhanced "front office" innovations, indicate highly significant productivity gains in form of enhanced variety and quality of financial products.

In Pakistan, Dahabreh et al. (2020) analyzed the IT effect on the Manufacturing and Banking sector's performance over 12 years [1994-2005]. An interview schedule was utilized to gather raw data, official financial statements, and field surveys of the 48 firms, 24 in the manufacturing industry were also collected. The results pointed out that IT positively affected the performance of both the manufacturing and banking sectors.

In the Nigerian Banking sector, a study on the influence of IT on performance was carried out by Ab-Rahim (2016), 15 banks were targeted from which 450 staff were sampled. A questionnaire was used in raw data collection. Results indicated that technological related innovation affected employee performance, improvement in profitability, and customer satisfaction. It was suggested that banks should manage effectively the technological

innovations to enhance employee's performance, profits, customer's satisfaction, enhanced ROI and ROA, and attain a competitive edge over rivals in the industry.

Alfraih et al. (2017) investigated the influence of ICT on the performance of Ethiopian banks. It was suggested that banks spend more in ict infrastructure to boost their productivity, as well as informing the population on how to utilize some of the ict, such as ATMs and point-of-sale terminals.

Anning-Dorson (2017) examined how technological progress influenced the financial aspect of performance among Kenyan banks. The target population was made of 43 banks. A census was performed in the report. The results showed that the usage of technological advancement has made it easier for workers to access information and given comfort. It was also established that there existed a correlation that was positive between technical advancement and financial performance.

According to Anning-Dorson (2017), the use of ICT has helped companies to boost production, operating efficiency, save costs, enhance the creative process, and manage inventories. According to his research on the impact of computer-based information systems on organizational effectiveness. The results suggested a beneficial relationship between computer-based information systems and organizational effectiveness. Abou-Moghli et al (2012) studied the link between online money and performance in Kenyan banks. . It was discovered that e-banking and bank performance had a beneficial link. It was determined that the use of electronic banking made it much easier for consumers and staff to complete bank transactions, therefore increasing performance.

In Kenya, Ahmed et al. (2015)studied the connection between information technology concepts and bank performance. The study focused on 43 Kenyan commercial banks. Participants were chosen using simple random sampling. The research found that institutions use ICT to enhance their efficiency, that institutions use ICT because of sector pressure, that institutions' finance capacities and technological specifications impact their adaptability to ICT, and that culture of the organization or value affects firms' level decision-making regarding investment in ICT.

Ahmed,et al. (2015)investigated the relationship between strategic alignment and the capacity of corporations to stay relevant in the manufacture of soft beverages. To accomplish the stated aims, the research used an explorative research approach. The relationship between IT linked strategy alignment and a firm's capacity to stay competitive in its sector of operations. One of the survey's suggestions was for IT, systems administrators, to guarantee that tasks are allocated and shared with top individuals in many other sectors. This is because strategy congruence has been related to enhanced company performance.

Adji and Fernandes (2017) performed a research on the productivity of Eastern African Cement Concrete Company Limited in Kenya on the basis of strategic alignments and information and technology. According to the report, many businesses have used information technology as a strategy to effectively gain a competitive edge in today's economy, where competitiveness has grown fierce and intense. The research embraced a case study design. The study discovered that aligning a company's strategy with its IT platform offers the business a competitive edge provided the firm's current operational environment is adequately scanned and the risks and market opportunities are identified.

According to the report, businesses should develop a top-down policy that engages all workers in the execution of the same plan.

Adji and Fernandes (2017) assessed the configuration and performance of ICT at Kenya College of Accountancy University's. According to the research, IT is highly essential for a firm's activities and strategic skills since it improves the manner of conducting business, giving those who have implemented it a competitive edge. A case study design was approved, and descriptive statistical analyses were utilized to analyze the data. According to the research, IT is employed in test handling, internet access is adequate, and IT configuration has enhanced registrations and data integrity. The suggestion was that individuals be trained frequently to promote diverse divisions to accept the usage of IT and operational departments.

Kihara et al. (2016) studied the efficiency of business related intelligence in the context of marketing. The instance of Arthi River Cement was used in the study. According to the report, the strength of business intelligence is integrating diverse business data into a unified form, which is usually referred to as a data warehouse, so that the data is always obtainable to be aggregated and transformed into facts. The research employed a descriptive approach. According to the research, ARM has implemented data analytics, which aided it in finding methods to increase profitability through the utilization of data and assessing the market potentiality of demand forecasts. According to the research, business intelligence improved successful strategic marketing in the firm, allowing for rapid, precise, and dependable reporting.

Gichobi (2015) investigated business intelligence and its impact on company performance in Kenya Power. It was determined that companies are now encountering problems in

managing the flow of information from environmental influences. The descriptive design was used in this investigation. There was evidence that KPLC had used business intelligence, which had a beneficial impact on performance. This is because it aided in cost savings, staff motivation, and customer service efficiency. According to the report, Kenya Power can implement various business intelligence upgrades such as data storage and large data technologies.

In Malaysia, Ahmed (2015)studied business intelligence for long-term competitive advantage. It has been demonstrated that via business intelligence, a firm may build and strengthen distinct capabilities for a competitive edge. The case study design was employed for this investigation. According to the findings of the study, the Malaysian telecommunications sector has used business intelligence to gain a competitive edge. According to the study, businesses that adopt succinct business analytics management with considerable financial and moral support from senior management are more likely to achieve the stated goal of having an edge over their competitors. According to the report, business intelligence should be given adequate support, commitment, financing, and execution to contribute to a competitive edge.

In the example of Wrigley Company Kenya, Magutu et al. (2018) studied business process reengineering for a competitive edge. In the research, two categories of designs were used: descriptive and explanatory research design. According to the results, the institution used business process re-engineering to obtain a competitive edge. According to the report, businesses who wish to embark on BPR efforts should first recognize the need of restructuring the institution, and then guarantee that they embrace the key implementation aspects for a successful company rating and reviews.

Magutu et al. (2018) evaluated the implementation of reengineering of the process in business at KQ.. According to the report, re-engineering guarantees that production is capitalized on while utilizing the fewest assets feasible. The research used a case study case as well as a descriptive research design. The results suggested that KQ had a paln of 10 years which was capable of coping with change and was led by process management re-engineering. According to the report, the airline can investigate how their regional airline competitors and effective models around the globe used process management re-engineering in their operation and strive to embrace those examples that were successful.

Wanjiku (2015) conducted a study on strategic planning operational and re-engineering activities at the UAP insurance firm. According to the report, the business method is intended to attempt to improve the modern performance definition of performance, affordability, timeliness, and services. The study used a descriptive research approach and descriptive analysis to analyze the data. The results indicated that process management re-engineering assisted the insurance firm in improving cycle time for service delivery, meeting customer expectations, simplifying operational procedures, and improving cooperation among the group and head workplace services.

Ikon et al. (2018) researched to assess the impact of business process re-engineering (BPR) on a company's capacity to stay competitive. The research focused on the Nigerian setting, and descriptive statistical analysis was employed. For data analysis, an exploratory study approach was utilized, and descriptive statistical analysis was used. The research indicated that the businesses' management was devoted to processing management re-engineering, which resulted in creative ability and enabled them to acquire a competitive edge over their

colleagues in other nations. One of the survey's suggestions was for managers to set a positive model when pushing change efforts in the organization.

According to Agyapong (2019)'s research in Nigeria, several banking functions which have been transformed by the utilization of ICT include a registration process, client account authorization, and transactions and recordkeeping. In contrast to the preceding research, the requirement of digital bill payment — experimentally assessing the demographic features of consumers. Among other factors, the author discovers that electronic payments payers are older, female, have a better income, and are owners. The influence of computer mechanization on online banking in Lagos was examined, and it was discovered that e - banking has substantially improved the services offered by numerous banks to their Lagos consumers. Nevertheless, the inquiry was restricted to Nigeria's lagos and concentrated on only seven institutions. He did a comparison study of new and old intergenerational organizations and discovered variations in the regularity with which automated technology was used.

Afandi (2017) studied the influence of strategic Information systems alignment on Saudi private companies. According to the survey, practitioners are gradually paying consideration to IT-business synchronization since it has a beneficial influence on a firm's success. The findings of the research indicated that the synchronization of Technology and commerce was definitely critical to the performance of Businesses in Saudi Arabia. According to the survey, companies should connect their operations with IT in order to boost their financial results and acquire a competitive edge and competitive market. Technology executives must use suitable Information technology since improper use might have an adverse influence.

There have been several studies conducted on the consequences of using IT-driven innovation to gain a competitive edge. Mohammad (2018), for instance, performed research on innovativeness and its impact on long-term competitive advantage. For research, the study utilized a cross-sectional descriptive study. The results indicated that incorporating IT into innovation strategies resulted in a sustained competitive edge and that if an Information technology business wants to enhance the degree of sustained competitive gain in the country, they should invest more than that in innovativeness. According to the study, raising awareness about market innovations is important since it increases a company's share of the market and maintains a competitive edge.

Auma (2014) investigated innovation and the role that it plays in improving its competitive edge. The study focused on export and horticulture companies in the Kenyan setting. The study employed a descriptive design. According to the study, incorporating IT into product innovation increased company competitiveness since the source of info on the latest concepts, products, and market development were readily available, which even the firms implemented. The research advised that horticultural firms use IT-driven innovation to remain competitive in this highly competitive environment by introducing fresh unique product and development of market.

Gathu (2017) studied the use of ICT by small and micro companies (SMEs) to gain a competitive edge. According to the survey, as a consequence of growing rivalry in the worl-wide market, majority of firms have used IT as a facilitator to aid them create their enterprises to stay competitive and reap the advantages of the invention. The descriptive design was used, and the research was also done in this manner. According to the data, the majority of the small and medium enterprises in the capital city of Kenya has not used ICT

in their inventions. Many new product innovations were manually, and the new goods did never transfer to higher sales since there was little online marketing, which may be done successfully by using ICT. The research advised that SMEs develop internal skills in the use of ICT.

Auma (2014) studied the impact of ICT on the banks' performance. A longitudinal survey was used in the research. Secondary and primary data were gathered and the findings revealed that the banks have implemented a variety of ICTs, including ATMs, Credit & Credit Cards, Point - Of - Sale (POS) Terminals, Phone Banking, Online Banking, and Electronic Funds. The survey also found that bank ICT had a favorable influence on client deposits in the participants' banks. This study therefore stated the followng hypotheis:

Ho_2: There is no significant relationship between information technology and organizational performance of commercial banks in Kenya.

Regulations of banks

As a result, the theory contends and there is a necessity for laws that control the market, labor rules, and consumer protection. The goal here is to avoid market distortions caused by unfavorable consequences such as excessive monopolies and asymmetrical knowledge. Market failure occurs when limited resources are not allocated to their most valuable uses, resulting in a disparity between the pricing or value of an extra item of a given item or service and its marginal or resource cost. According to the interest of the public theory, direct state engagement in market monitoring is required. This is due to the government's explicit mission to act on account of the people and is regarded as a neutral arbitrator. As

a result, public interest theory aims to examine the government's role in governing market labor laws and protecting consumers. This research contends that the state has abdicated its responsibility by enacting ineffective policies (Michael et al., 2021). This will be demonstrated by an examination of the regulatory regime implemented, especially the Banking Act and the CBK Act.

Michael et al. (2021) defines regulation as "the administrative monitoring of a private action respecting a norm imposed in the public interest." Three essential principles are presented in this definition. For starters, regulation is tight and aimed at the private activity. Regulation, in this case, is aimed at private participants in the relevant industry. Secondly, controls depending on broad principles are used to regulate. Typically, a government agency is tasked with carrying out and supervising the regulation per a legislative and regulatory framework that the agency is accountable for establishing and evaluating. Finally, regulation serves the public good. The public interest hypothesis assumes that all regulations are conducted out to the public's benefit, to leveling the playing ground for both consumers and producers and to prevent market failures caused by inequalities (Michael et al. 2021).

According to Noah et al. (2020), the founder of the public interest theory of regulation, rules arise from public demands to cure market inefficiencies. Because producers often have a disproportionate edge over customers, regulators are intended to promote social rather than private interests. Nevertheless, regulation is not considered to be flawless as an economic metric. Rather, the idea is based on three essential assumptions: When there is a systemic problem, regulation is the more effective organization to correct the fault, while deregulation occurs when more efficient institutions arise to avoid market inadequacies on

their own. The legislation applies to both inherently competitive and inherently monopolistic businesses since both can operate in a way that is entirely unconcerned with the interests of their customers.

The banking industry is a critical component of every financial market. Banks promote financial growth by mobilizing and distributing capital to investment initiatives that will provide lasting economic advantages. Furthermore, it is commonly accepted that the good banking sector, as characterized by its supervisory procedures, significant risk, and administration, supports improved financial performances and financial stability. Fostering solid banking procedures, on the other hand, has been challenging. Differences in bribery, democratization, and constitutional origin, for instance, generate diverse regulatory frameworks that make it difficult to execute universally effective solutions. The research purposed to experimentally assess the relationship between banking regulation and its total level of revenue and earnings growth (Jamali, 2019). The primary goal of effective banking reform is to safeguard the vested interests of savers, shareholders, and borrowers; the secondary purpose is to protect the general or public interests by maintaining the reliability and integrity of banking and finance markets. The surge of liberalization in financial services in the 1980s, as well as the industry's subsequent internationalization, have both been countered by an increase in regulation and regulatory measures (Jamali, 2019). Deregulation of banks in Norway, for example, allowed them to decide their borrowing rates and the sum of funds they can give out, which was beneficial to certain nations but detrimental to others. The outcomes have been quite positive for them, but this has not been the situation in Pakistan or the United States (Braidotti , 2019).

Research on the influence of entry-related regulations on competitive markets and the elimination of excessive profits speed for fifty-nine nations between 1998 and 2011 was carried out by Auma (2014). The research employed a performance-related dynamics method to confirm the persistence profits level and dummies to denote each country's entry regulations. Lagged profits were interrelated with dummies (variables) to determine the effect of regulations on profit persistence. Being research involving more than one country was cited in general that regulations might slow down or speed up the course of competitiveness in getting rid of excessive profits. The current research did not make use of the approach of relating dummies with the profit lag to arrive at the regulation's effect on profitability in Kenyan banks.

The Cooke committee developed two ideas in 1979: micro-prudential administration and macro-prudential regulatory oversight. As per micro-prudential regulation, banks fund themselves with government-insured assets, which, although reducing run on the banks, causes a moral hazard since it contributes to bank managers assuming many risks. They know, and after all, however that the present government will compensate whatever losses they incur. If a bank suffers a loss, micro-prudential regulations compel it to take immediate actions to recover its capital ratio. This is known as timely corrective intervention, and central banks implement capital restrictions (Kihara et al., 2016).

Noah et al. (2020) studied how regulations do become ineffectual in keeping businesses responsible for the degradation of the environment in an emerging-market setting, with a particular focus on the Nigerian oil/gas and concrete industries. The research used capture theory to identify the variables that have rendered governmental action to hold companies responsible for their environmental operations obsolete. The oil/gas and concrete industries

in Nigeria serve as the context. The survey's data came from both documentation analysis and interviews, and it was analyzed using a thematic method. The results revealed a regulatory inability to hold businesses accountable for their environmental actions. A lack of political will, antiquated rules, and regulatory manipulations have all served a role in keeping companies from being held accountable for their actions. Furthermore, the country's extensive top corruption allowed businesses to alter their environmental responsibility procedures. The research underlined the need for rules being reviewed regularly, and initiatives in Nigeria to eliminate corruption and improve corporate environmental responsibility even though the research was relevant to the current investigation, it revealed contextual and theoretical deficiencies. The research did not concentrate on the banking industry, nor did it aim to show the connection between regulations and the performance of the organization that the present study.

Wanjiru researched on the effect of financial regulation on the performance of DT-MFIs in kenya. It attempted to ascertain if the advantages of financial regulation exceeded the costs and whether this would support non-DT-MFIs regulation. This research employed both cross-sectional research designs to ascertain the effect of bank regulation on deposit-taking MFIs perforamnce. The 6 Kenyan MFIs were the survey's target population. The research team gathered both secondary and primary data through a data collection sheet and the questionnaire respectively. The secondary data were obtained from DTMs' financial records from 2004 to 2011. Data were analyzed using the SPSS version 21 application and represented in the form of tables and figures to provide a quick overview of the study findings.

According to the report, the supporting the Regulations of 2008 resulted in a rise in the business performance of DT-MFIs. The restrictions increased the value of DTMs' existing loans, net assets, earnings, and investors' equity. Nevertheless, DTMs faced problems such as expensive transformation costs, high operating expenses, license fees, and fierce rivalry mostly from other banking firms. Mwongeli (2016) investigated the possibility of a link between rules and financial performance. Ratio analysis such as rate of return, return on capital, assets ratio, loan loss provision, liquidity, leverage ratio, core investment to total uncertainty assets ratio, money to purchase to constitute risk-weighted due mainly, and central investment to total bank obligations ratio were used to assess financial performance. This research also looked at capital sufficiency. The survey's population consisted of the 43 banks in Kenya, and it was conducted between 2011 and 2015. 3 years before as well as 3 years after the revised prudential requirements for banks were implemented in 2013.

Most banking institutions were capable of meeting the capital requirement, and the government must aim to maintain that the specified guidelines are followed to make sure the steadiness of Kenya's banking industry. Kenya's entire economy will be likely to dodge economic collapse as a result of this. The CBK will also be able to recognize troubled banks and implement corrective measures to manage them already when they fail and depositors lose a lot of money. The financial ratios indicated a flourishing and prosperous banking industry.

Afandi (2017) investigates the influence of financial laws on the performance of Kenyan commercial banks. Stratified sampling was used to choose 98 participants. The research collected secondary documented data by reading academic articles accessible in the library, as well as different papers, periodicals, and studies, such as publications and journals. The

researcher conducted the survey questionnaire, and the data from the participants was evaluated using frequency and description statistics. According to the findings of the research, the rules are geared at accomplishing the country's development goals while maintaining prudential principles and sector stability concerns.

In Kenya, Ogada (2021) explored the duplicity in financial industry regulation and performance. The particular aims were as follows: to evaluate and evaluate legislative redundancy in Kenya's present regulatory regime for the financial sector; to outline how regulation efficacy has been assessed in empirical studies; to analyze if the existing legal framework has influenced the performance of Kenya's finance industry; and, finally, to recommend alternative ways of improving regulatory performance.

The study employed a desk study review technique, in which related research literature was examined to identify major themes and gaps in knowledge. According to the research, the financial industry in Kenya as well as other emerging nations has recorded substantial losses as a result of under-regulation and regulatory deception. Some of them have gone bankrupt or had to be taken over or saved by their governments. The benefits of a single regulatory agency outweigh the disadvantages of many regulators. However, it is better suited to smaller, well-developed, and established markets, such as the United Kingdom.

According to the research, Kenya's economy and social arena are not yet mature enough to manage a single financial sector regulator. In this regard, it may be argued that even developed economies including the United States continue to have numerous regulators.

In Rwanda, a study was carried out to ascertain the association between regulation and the bank's performance by Auma (2014). The study embraced a descriptive research design to

examine the pre-stated relationships. Ten banks constituted the target population. The results indicated that regulation did not significantly predict the dependent variable (performance). The Rwandan government needs to formulate policies that will ensure a conducive atmosphere and that ensure stability in financial institutions.

Wairimu (2017) investigated the impact of CBK prudential rules on Kenyan bank performance. A descriptive design was used in the study. Standardized questions improved measurement by imposing standard criteria on respondents and ensuring that the same data was obtained from cohorts and then derived compared. The survey's population consisted of all banks in existence as of December 31, 2016. The questionnaire served as the data collecting instrument. The operations and relationship managers were among those who responded. Owing to the need for thorough and very well replies, the drop and choose approach was utilized in study administration. Statistical Packages for Social Sciences were used to filter and organize the gathered data for analysis. The research indicated that numerous factors influenced banks' performance during the previous five years, both favorably and adversely. Those impacting performance favorably included: limitations on trade and assurances, constraints on loans for property acquisition, and limitations on the bank account, whereas those impacting performance negatively included: constraints on advancements, loans, and assurances, limitations on control of a bank's share capital, mortgaging, and going into debt.

Ashraf (2015) investigated the influence of financial rules on the performance of Kenyan banks. The population of the research consisted of all 42 active banks. The response indicator was financial results, which were determined by ROA and efficiency. Secondary data was gathered on an annual basis for a period of five years (January 2015 to December

2019). To determine how the variables connect, a cross-sectional design and a multivariate regression model were used. A profit margin grid was created, which indicated that the banks (37 percent) were ‘dogs' with efficiency and lower profit, trailed by ‘stars' with (29.4 percent) having high profit and highly efficient, and lastly, the ‘sleepers' with (24 percent) having high sales and profits and lack of efficient. E - views were used to analyze the data. When the performance was assessed by Roe, the outcomes indicated a Regression coefficient of 0.232, implying that 23.3 percent of changes in performance were caused by changes in the five chosen predictor variables. The study also found that exogenous factors account for 36.7 percent of differences in bank performance as measured by efficiency. ANOVA produced an F statistic that was significant at a 5 percent level for both the models because p0.05. As a result, the models were adequate for describing the relationship between the factors. Furthermore, capital sufficiency, flexibility, and size of the bank all had a significant and favorable effect on ROA, but capital adequacy had an unfavorable and significant effect on ROA. The effectiveness of management was not quantitatively significant. When financial results were assessed using effectiveness, it was discovered that liquidity was not scientifically substantial, but the influence of the other factors remained intact.

Lugaliki (2012) researched the impact of the CBK Prudential Regulations of the year 2006, on the bank’s performance. This was a comparison assessment. The research was limited to twelve years, from 2001, - 2012, with 6 years before the introduction of prudential rules (2001-2006) and six years following the introduction of the regulations (2001-2012). (2007-2010). In this research, the qualitative research approach was used. This study's group of focus comprised of all properly regulated banks. The research employed

quantitative descriptive data to assess the impact of the CBK Prudential Rules of 2006 on commercial banks' performance.

The information was obtained from the CBK in the form of financial reports from the banks involved, spanning a period of twelve years from 2001 to 2012. The data were analyzed using multivariate analysis. The research found that improvements in Bank Capital, Cash Flow Management, Quality Categorization of Securities and Provisions, Foreign Currency Perceived Risk, and Governance Framework had a significant beneficial impact on financial performance. This suggests that CBK regulatory rules had a significant beneficial effect on the banks. The adjusted R - square number for the immediate aftermath of the implementation of CBK prudential requirements in 2006 was shown to be higher than that for the period before the rules, indicating that the restrictions had a significant impact on performance (Financially). The research suggested that the CBK strengthen its prudential controls on Kenyan commercial banks since it was discovered that CBK prudential regulations improve the financial efficiency of Kenyan commercial banks. A comprehensive and integrated strong regulatory strategy, on the other hand, is proposed to increase regulation without limiting competitiveness, invention, or access to finance (Lugaliki, 2012).

Kabochi (2020) assessed the influence of prudential measures on the viability of Kenyan commercial banks. It entailed conducting a census of the nation's forty-four financial institutions. The CBK provided secondary data. The CBK's regulation and supervision function, as well as steps made to improve financial stability in some other regions such as Australia, were thoroughly reviewed. Monetary and prudential regulatory ideas were explored, and their role in promoting the stability of the financial system was underlined.

Concepts on financial regulation, the CBK regulatory standards, and the basic concepts for successful prudential regulation were also discussed. All stakeholders in the sector must commit to and actively participate for prudential rules to achieve the desired objectives. The study emphasized the importance of strengthening and improving the regulatory environment. Different banking intervention strategies were proposed in the case of financial trouble, with a focus on early remedial action. The DPFB's function was emphasized, with a focus on its commitment to preserving depositor money and increasing investor trust in the financial system. The financial performance was assessed by the ROA with the SD; the higher it was, the less and less solid the institutions were thought to be. The impact of prudential rules was measured by evaluating the SD of the ROA for the time during the restrictions were implemented (Kabochi, 2020).

The research covers the years 1995 – 1998 (before the adoption of prudential rules) and also 1999 – 2002 (after regulations were introduced). The SD of ROA for the years 1995 - 1998 was contrasted to that of the years 1999 - 2002. According to the findings, the SD for the period following the adoption of policies to maintain was less than the period preceding the introduction of the regulations. With regard to the results, the research confirmed that the adoption of prudential measures in Kenya in 1998 significantly improved the health of financial institutions (Mathenge, 2017)

Mathenge (2017) examined the impact of the CBK's prudential rules and standards on the financial results of Kenyan commercial banks. Following secondary data obtained from Central bank of Kenya regulation and supervision bulletins and financial firms' released financial accounts. To prepare for writing code, the gathered data were analyzed and cleaned for comprehensiveness. The data were entered into E-views for analysis. The data

was analyzed using descriptive metrics such as standard deviation and mean. Regression modeling was utilized to examine the link between the factors under investigation and the survey's aims. According to the research, there was a significant positive link (r=0.628) between performance and the Central bank of Kenya's regulatory laws and regulations. CBK regulatory standards accounted for 29.9percent of banks' performance.

The research also discovered that development in the nation’s GDP, elevated concentrations of Bank Capital, elevated concentrations of Manage Requests Effectiveness, and highly Liquid level of the institution, and also low inflation, all had a favorable influence on the bank's performance. The research also revealed that the institutions have relatively low asset health, which has a detrimental impact on the performance. The research also found that this study backs up previous material. The survey also discovered that banks’ managerial efficiencies are below the average. This research advised that bank management begin utilizing their assets efficiently, begin maximizing their revenue, and cut their operating expenses even further to increase their managerial efficiency. Management control impacts the number of operational expenditures, which in turn increases the bank’s revenue.

Mathenge (2017) intended to explore if there was a felt need to reorganize Kenya's capital sector regulatory regime, as well as financial sector intermediaries' perceptions of a single regulator structure for Kenya's capital markets. The survey's target population included all firms authorized in the financial, insurance, investing, and pensions industries. The data was gathered using a drop-and-pick afterward form, which was filled out by the chief executive, company secretary, or another person responsible for regulatory issues at 81 institutions selected among 730 authorized in Kenya.

It was established that there is also a felt need to reorganize Kenya's capital markets' regulatory regime, and the main significant criteria in choosing on whether or not to modify the regulatory system include the history of the development, skill level, overall size of the stock market, condition of growth of the financial international markets, degree of competition in the financial services, the sufficiency of capital. It also was evident from the proportion of participants that Kenya could perhaps embrace a solitary regulator design for its capital markets because it has some advantages including such scale economies, easiness of making decisions, sharing of resources, reduced costs for regulated entities, boosting responsibility by elucidating the positions of the regulatory authority, and much more efficient responsiveness to market advancement. Although there was no link identified between the kind of entity and the felt need for banking regulation transformation, there was a connection discovered between the type of establishment and acceptance for one regulatory structure.

Gudmundsson et al. (2013) surveyed the capital requirements role in bank stability and competition in 2000 - 2011. Lerner index and the Panzar and Rosse H-statistic were used. The latter measured the competition level in Kenya's banking sector. ROE was used as a measurement of stability and performance variables. It was established that increasing core capital reduced competition to a certain level after which it would start increasing. This implied that benefits started to be attained the instant alliance in the sector began taking place. It was concluded that there was a positive correlation backing up evidence that regulations on capital improved performance and financial stability of banks.

Emani et al. (2018) researched the financial regulations' influence on the performance of DTMs. A descriptive research design and cross-sectional method were embraced. Six

DTMs made up the study population. The findings showed that supportive Regulations of 2008 resulted in enhanced DTMs' financial performance. The regulations increased the values of outstanding loans, overall assets, shareholders' equity, and profits of DTMs. Regulations were established to positively influence the performance. This study therefore stated the followng hypotheis:

Ho_4: There is no significant relationship between regulations of banks and organizational performance of commercial banks in Kenya.

Competition

Mathenge (2017) examined the impact of product market competitiveness and governance on a firm's management in the Iran Stock Market. From 2003 to 2011, this research employed a randomly picked sample of businesses from Iran's stock markets. According to the findings of this research, there is a strong link between the key governance structures (including concentrated ownership, independent directors, and overall debt) and product competition in the market and the firm's performance. This survey's results also revealed that market structure rivalry is beneficial in the link between corporate governance and performance, which has been overlooked in most previous research. The research was interesting, but it did not examine the direct effect of rivalry on business performance. As a result, the investigation revealed both theoretical and contextual gaps that this research intended to fill.

Ghasemi et al. (2016) investigated the effect of market competitiveness and accounting management system (AMS) features on the performance of the management. The survey's range was limited to the financial firms, and managers from these firms were chosen as

potential participants for the survey questionnaire. The SmartPLS was utilized to evaluate the data in this research, and the model was derived using structural equation modeling. It adheres to the SEM's suggested two analytical techniques: evaluating confirmatory measurements models vs confirmatory model structure (path analysis). The findings revealed that there are direct links between competitiveness and MAS, as well as between MAS and management performance. The research also revealed that MAS mediates the connection between competitiveness and management success.

Liu et al. (2018) investigated the association between corporate profitability and products market rivalry (PMR), as well as the impact of corporate governance and, or government ownership on the relationship between PMR and companies' performance utilizing Listed Chinese companies. The research concentrated on three PMR variables that determine the form of rivalry and used market intensity, product complementarity, and size of the market as approximations for PMR. The research created a corporate governance matrix that measures the number of independent directors, as well as the power of the management board so over the board of trustees. The executive of directors and over CEO. Tobin's Q was employed as a metric for company performance in the research. To scientifically explore the research topics suggested in the study, the sample consisted of 20,707 firm-year obs listed on the capital markets between 2000 and 20165. According to the findings, higher PMR is related to worse business performance. According to the researchers, sound corporate control procedures mitigate the detrimental impact of greater PMR on company performance. When compared to non-SOEs, the relationship between higher PMR and poorer performance is less for businesses owned by GOEs. Furthermore, the moderating impact of GOEs on the relationship between higher PMR and poorer performance is

stronger for businesses with good governance procedures than for organizations with poor governance processes.

Ahmed and Afza (2019) investigated the impact of competition intensity in modulating the existing link between financial structure and business performance. The current study uses both the panel and OLS estimation approaches to derive conclusions from balanced data set of listed non-financial businesses in Pakistan. According to the findings, a high debt ratio is detrimental to the accountancy efficiency of the picked sample businesses in Pakistan. Furthermore, products marketplace rivalry moderated the link between financial structure and company performance, implying that quality products marketplace rivalry can be utilized as a replacement for bank loans to balance the interests of a company's shareholders and managers.

Ahmed (2019) examined the economic hypothesis that product market competition should boost firm performance in the context of corporation tax management in the United States. It offers one technique for corporation management to use to improve business performance. The research identified company factors that aided or hindered successful corporation tax management. Utilizing vast amounts of historical data, the study examined the connection between product marketplace competitiveness and corporation tax effectiveness. COMPUSTAT which provided yearly and quarter-based accounting information for USA public businesses, was the major data provider. According to the study, businesses in competitive sectors were much more effective in tax management. The research particularly shows that businesses in competitive markets have lower tax rates than there, especially non-equivalents. Moreover, the research discovers that the favorable relationship between competitiveness and tax organizational efficiency is significantly

larger for businesses with smaller volatility and fewer sector development possibilities. This relationship was reduced by the absence of sufficient reporting uniformity.

Liljeblom et al. (2019) researched the influence of government ownership complexities and competitiveness on Russian listed firm's performance. The dataset included information from 72 firms from 2010 to 2015. The research of types of government control such as significant proportion, straightforward, governmental, mixed structures, and golden interests captures the complexities of government ownership. The research discovered that different kinds of state ownership resulted in substantial variations in effectiveness. Government control was connected to firm valuation and the overall sales/ staff ratio unfavorably. Whenever state control comes in the shape of minority, region, or outright control, performance deteriorates the most. Government ownership via golden interests has historically surpassed other forms of government control.

Singla and Singh (2019) investigated the function of the board of directors in overseeing company performance and products market competitiveness. Furthermore, in the setting of a rising country, India, this research assessed the moderating impact of product market competitiveness in altering the board monitoring and company value interaction. Over ten years, a big number of 3,854 firm-year data was used here (2007-2016). The predicted associations were tested using sector and year-fixed effects regression techniques. According to the empirical data, board monitoring reduces business value. The results also showed that product marketplace rivalry had a negligible moderating influence on board supervision efficacy in India. A further examination indicates, nevertheless, that product market competitiveness supplements the poor board oversight of business-group businesses. Furthermore, the increasing amount of product-market competitiveness for

stand-alone businesses harmed the efficacy of board oversight (which is comparatively greater in firms.

Rakshit and Bardhan (2020) assessed the level of bank rivalry in Indian banking from 1996 to 2016. Utilizing bank-level yearly data, the research reviewed the case of banking competitive nature during the pre / post-crisis periods to determine if the worldwide economic crisis affects the degree of bank competitiveness in India. This research also tackled the misspecification concerns connected with the commonly used Panzar–Rosse models in Banking in India. The study used H-statistic to assess bank competitiveness by calculating the degree to which variations in input costs are mirrored in bank profits. Following that, the research related this measure of competition to numerous structural indices (HHI & CRN) to investigate the structure-conduct-performance hypothesis, which believed that a centralized banking system might impede competition. The empirical estimations were handled using a basic panel data regression. It was demonstrated that the Indian banking sector operates in a competitive environment and makes revenues as if it were in a monopolistic environment.

Salehi et al. (2020) researched the effect of management skills on competitive intensity and corporation financial investments, with an emphasis on risk and investment effectiveness. The Kaufmann et al. (2017) model is the key assessment of management competence. The Herfindahl–Hirschman Index was employed in this study to assess product market competitiveness. The connection between risk-based and over-investment of cash flow, as well as product market competitiveness and management skill, was investigated using multiple regression. The research discovered that competitiveness deterred managers from investing in hazardous ventures using firm-year information from 2011 - 2015. The

research also discovered that management competence did not affect the relationship between product marketplace competitiveness and financial investments.

Fernandes et al. (2019) assessed the influence of competitiveness on a firm's innovation activities. The research used data from the Community Innovations Survey - CIS 2012, which was subjected to several multivariate statistical analysis techniques. According to the findings, competitiveness and knowledge transfer to and from rivals have a significant statistically beneficial influence on firm innovation-related operations and profitability.

Jogaratnam and Ching-Yick (2016),) investigated the relationship between entrepreneurial orientation (EO) and operational responsiveness (OR). The research employed multilevel regression analysis to determine data from 163 SMEs in the US. The results revealed that entrepreneurial activities were critical in reacting to market demands, resulting in improved performance. The research reveals that the interaction impact of risk-taking/ innovativeness and competition concentration on sensitivity were substantial and favorable, whereas the interactive effects of organizational innovation and technical instability on sensitivity were fairly significant but unfavorable. These data suggested that OR was successful when the intense competition was high but technical instability was moderate.

Banya and Biekpe (2017) investigated the notion that commercial lending competition is related to macroeconomic growth. From 2005 to 2012, the study employed the Boone index to assess the competitiveness of banking markets in 10 African border nations. This approach assessed banking competition by examining the link between specific costs and market share. The research used a panel data model to investigate the impact of banking sector competition on economic development. According to the outcomes regarding the index, institutions in the economies analyzed had a more competitive banking industry.

The panel data findings confirmed the premise that financial industry rivalry has a beneficial influence on macroeconomic growth.

Osabuohien (2020) studied how the adoption of technology boosts the innovative behavior of informal enterprises in West Africa, employing Ghana and Nigeria as case reports. To do this, the research employed World Bank Enterprise Survey data from 2014 for Nigeria and Ghana, as well as binary logistic regression analysis, 4 distinct developments are simulated. They would include: firstly, if a company developed by creating a new or substantially better product; secondly, if a company developed by manufacturing latest or considerably upgraded products; and third, whether a company innovated by generating latest or considerably upgraded products. Thirdly, if a company improved in regards to organizational architecture; and finally, whether such a company launched an upgraded marketing strategy. The findings revealed that using emails, a smartphone, and a webpage had a favorable influence on the four forms of innovation studied. These impacts, nevertheless, differed significantly across Ghana and Nigeria. Companies' R&D investment, allowing staff the opportunity to explore their concepts, and when companies battled with the others all had a beneficial influence on the four categories of inventions.

In China, Tan and Anchor (2017) examined the effect of competitiveness on liquidity related risk, credit related risk, capital-related risk, and bankruptcy risk in the market from 2004 to 2014. The influence of competition on risk was investigated using an extended technique of moment's systems estimator in this research. Translog requirements, in the example, were utilized to assess competitiveness and bankruptcy risk. According to the findings, greater competitiveness within every bank institutional ownership (government-owned banks, joint related stock banks, and city related banks) resulted in higher default

risk, greater liquidity-related risk, greater capital-related risk, but reduced insolvency-related risk.

In Malaysia, Ab-Rahim and Chiang (2016) tested the efficient structure concerning structure-conduct-performance hypotheses to evaluate the link between marketplace structure and financial related performance of the banks from 2001 to 2012. SEM was applied to analyze the market structure of banks in Malaysia, while concentrations ratio was utilized to estimate their efficiency. Following that, using the least-squares approach, two variables – bank efficiency and market structure – as well as additional explanatory factors were examined (share of the market, operating costs, loans related ratio, and bank's size) were modeled on the outcome variable, which was performance of the bank's measured by ROE and ROA, and interest margin. The sector intensity was on the decline; fundamentally, the banks were much more able to compete owing to reduced industry saturation. In regards to effectiveness, the data demonstrated that the banks were working at 40 percentage - effectiveness, much below their potential. As a result, Banks may cut their resource usage by 60 percent to function on the production possibility frontier. The findings supported ESH, implying that market intensity and banking effectiveness influenced banks' financial health.

Gudmundsson et al. (2013) researched the impact of capital-related requirements on the competitiveness and stability of Kenyan banks from 2001 to 2012. The study was motivated by the constant rise in core capital from Ksh 251 million in 2009 to Ksh 1.0 billion in 2012. It has been proven that core capital has an especially non-impact on competitiveness. The study did not analyze the auto-regressive form of earnings since it

used the Lerner Index (LI) followed by linear regression. Because of this inconsistency, the size of the findings was restricted.

In Jordan, Abou-Moghli (2012) investigated competition intensity effect on the performance of 33 listed firms at the Amman Stock Exchange. Regression analysis outcome showed that the competition intensity in the market positively and strongly affected firm performance. Concerning the findings, the study expected that the companies faced fierce competition as a result of the investment market that is quite attractive.

Ahmed (2015)carried out a study to determine how the performance of Orange Kenya, Airtel, Yu, and Safaricom (K) ltd were affected by competition. It was established that firm performance was explained by 79.8% as a result of variations in competition. The study further confirmed that new entrants in the market, rivalry, and power of the buyer affected firm performance as was explained by 61.2%. A few (38.8) percent of the participants cited that entrants in the market, rivalry, and power of the buyer affected firm performance in the Kenyan Telecommunication sector.

Alfraih (2017) utilized organization-level data to determine if competition influenced performance in three countries in transition namely: Romania, Hungary, and Slovenia. The data were gathered through interview schedules in approximately 301 government-owned, new private companies and privatized firms through September 1996 and April 1997. It was established that long-run pressure as a result of pressure positively affected firm performance in both Slovenia and Hungary, the same was not reported in Romania, whereas in Romania short-run pressure as a result of competitiveness positively affected performance. It was also confirmed that ownership was crucial. Traditional companies

(being privatized firms and state-owned) tended to perform dismally than newly established companies in Slovenia and Hungary. The findings were somehow mixed in Romania, government-owned companies did perform poorly compared to privatized (employee-owned) and newly-established private companies.

Alimohamadian (2017) aimed at disentangling the combined influence of product market-related competitiveness and the performance of the governance. Whereas the connection between internally set governance mechanisms and performance is confirmed in various researches, the relationship between external and external mechanisms of governance has received limited attention in developing countries. The study confirmed the independence and interaction influence of competition and ownership variables on the productivity of the firms. In contrary to what is generally known, the study results indicated that competition is a determining force in emerging economies. The econometric modeling indicated that as the stand-alone influence of the variable ownership on productivity, the relationship was statistically not significant, however, there existed a strong positive and significant interaction influence with competition-related variables.

Bannster (2017) sought to analyze the association between the performance of firms and how they perceive the competition in the not formal sector. Data were collected from 1,430 enterprises that comprised the sample size of the firms in Croatia, Bulgaria, and the former Yugoslav Republic Macedonia. The results indicated that firms maintain that their rivals engaged in the not formal sector significantly had lower real-annual growth sales rate in comparison to those who indicated that they did not engage in the not formal sector.

Gudmundsson et al. (2013) researched the effect of capital requirements on the stability competitiveness of Kenyan banks during the period 2000 through 2011. The research was

driven by the steady increase of core capital from Ksh 250M in 2008 to Ksh 1B in 2012. It was established that core capital has a non-linear influence on the competition. By making use of the Lerner Index (LI) proceeded by linear regression, the research did not take into consideration the auto-regressive form of profits. This irregularity limited the magnitude of the results. Distinct from the research carried out by Gudmundsson et al., (2013), the research was inspired by a variety of other adjustments in the regulatory setting including variations in core capital. This study therefore stated the following hypotheis:

Ho_2: There is no significant relationship between competition and organizational performance of commercial banks in Kenya.

Strategic Fit

Strategic fit refers to how well an institution's skills and competences meet the opportunities in its surroundings. Since the alignment happens through strategy, the business must have the genuine resources and expertise to execute and market the strategy. Strategic fit may be actively utilized to analyze a company's present strategic condition, and also possibilities for divestments of organizational subdivisions. Strategic fit is connected to the company's Resource-based perspective, which indicates that the solution to sales and profits is achieved both through positioning and sector selection, and through an internal perspective that strives to leverage the distinct qualities of the firm’s portfolio of core competences (Dang & Lin, 2017).

Tamayo-Torres et al. (2019) state that a suitable indicator of fit should be repeatable, practical, and constant across sizes and degrees of complexity, as well as having inter-judge

consistency. The correlation between fit and company performance may be used to validate a suitable metric. This research is predicated on the notion that fit leads to greater company performance for all corporate plan types, which is a widely held belief based on past studies. Strategic fit is indeed a respected theoretical norm in institutional adaptation concepts and is ubiquitous in strategic management and marketing. The premise is that strategy and the environment interplay in a constant co-alignment situation, and the ensuing fit between strategy as well as its environmental setting improves performance. Nevertheless, this evaluation is almost entirely based on experiences in Western nations, where the business in question operates in a healthy, market-driven economy; as a result, the fit approach is presented as a global strategy framework (Kaliappen & Hilman, 2017).

Furthermore, organizations around the world work in a continuously dynamic environment that they should adjust to in order to thrive and flourish. The extent to which environmental variables vary is referred to as the amount of environmental disturbance. The more tumultuous the setting, the more proactive the company reaction should be; yet, many firms seize the possibilities presented by instability whereas others stagnate (Chan et al., 2020). Strategies are intended to adjust to, react to, or influence their surroundings. Fundamentally, every significant change in the amount of turbulence necessitates a shift in strategy in order to keep the company in sync with its surroundings. As a result, environmental unpredictability is critical to the composition of an institution's strategy since it impacts not just company's access to the resources and the relevance of its skills and capabilities, and also client requirements and needs, and also the competitive pressure, emphasizing the significance of strategic fit (Kaliappen et al., 2017).

The link in both strategic fit and an ordered setting is critical to the successful execution of a company's plan and, as a result, excellent performance. The fit of a company, defined as the extent of connection between its strategy and its surroundings, has a significant impact on its performance (Rahman & Rahman, 2019). According to a research conducted by Rahman and Rahman (2019) whose factors were strategies and governing structures, strategic fit leads to higher performance in companies and impacts company performance to various levels.

Rahman and Rahman, (2019) investigated the nature of strategic fit around "competitive tactic" (CT) and "supply chain related strategy" (SCS) in the manufacturing sector by exploring the importance of supply chain related strategy as a moderating variable between competitive related strategy and organization supply related chain performance. A questionnaire survey was utilized in the research, which was completed by 186 participants from diverse industries in the manufacturing business. Automotive, electronics and electrical, chemical, mechanical, textile, culinary, aeronautical, and apparel were among these industries. The condition of strategic fit is investigated using the study conceptual model of the "grid of strategic fit." The main findings indicated the presence of a causal link connecting SCS and CS, while CS serving as a predictor variables and SCS serving as the outcome variable. It was further observed that the selection of SCS and CS has an impact on company and distribution network performance. The third discovery was the presence of strategic fit in the industry, which was adequately explained by examining the relationship impact of SCS and CS. It was additionally established that "resolving conventional traditions" is a significant barrier to applying SCM methods in the manufacturing sector.

Lin et al. (2016) investigated strategic transformation related difficulties by studying the dynamics of externally and internally fit, since the key to successful change is dependent on both internally and externally fit. The data for this study from Taiwan's equity market's electronic firms was analyzed using regression analysis from 2003 through 2012. The research findings revealed a connection involving internal fit and outward fit, as well as the velocity of internal fit. Furthermore, external fit moderates the influence of the interactions effect of internal and external fit on the firm performance.

Building on seven case studies, Chan et al. (2020) investigated the logistics context and industrial logistics strategies in China, Hong Kong. The industry's manufacturing layout has been recognized. Marketplace intelligence, procurement, frontline operations, production supply, backside activities, vertically integrating, ethnicity networks, free economy, and information and technology are all explored by Hong Kong firms. Geographical position, telecommunications networks, financial services infrastructural facilities, air transport networks, sea transport systems, road transport networks, advisory services, heritage, and information and technology are among the order fulfillment environmental aspects considered. From the viewpoints of Hong Kong industrial logistics, an environment related strategy (ES) fit model was established.

Garca-Carbonell et al. (2014) investigated the dual fit in the setting of human resource related management strategy, examining how its impact on performance is determined by workers' views of the HR related management strategy. The scientific literature has always regarded the requirement for a twofold fit (vertical & horizontal) in the formulation of Hr policies. Nevertheless, as subsequent critical assessments have highlighted, a broader

theoretical study appears to be required to properly explain how they impact institutional performance and also why businesses with equal degrees of synchronization have disparities in human resource results. Drawing on the evaluation of the research, the study offered a novel theoretical model that combined two domains of strategic HRM literature that had previously been disengaged: the dual fit method and the research on employee happiness and participation. The HRM approach was designed with the traditional distinctions of universalistic, situational, contextual, and structural viewpoints in mind. The outcomes of this article presented an alternate model for investigating the dual fit in the setting of HR related management strategy.

Garca-Carbonell et al. (2014) studied the idea of inter- firm provider advancement initiatives and emphasize the significance of taking suppliers' objectives and motivations into account when executing advancement efforts. The theoretical foundation of the research is founded on an extensive literature analysis that examines how existing supplier improvement literature approaches an inter - firm perspective. There is additionally an individual case study with eight inter- firm interactions. Despite the fact that the existing research highlights it as an absent topic, the literature study found a lack of attention on inter- firm methods to supplier growth. Customer attraction is offered as one strategy that considers the supplier's point of view and motive. This notion was confirmed by the study case, which revealed that customer's perceived attraction affected performance of suppliers.

Garca-Carbonell et al. (2014) investigated the hitherto overlooked effect of strategic fit between institutional structures and sector demands for full integration and reactivity. The research proposed a novel method of assessing organisational structure (and hence strategic

fit) depending on archive data instead of surveys, and we used these measurements in the regression analysis of 333 Fortune firms. Strategic fit was found to have a favorable effect on performance and to regulate the shape, magnitude, and orientation of the global integration connection.

The fit of competitive related strategies, market related orientation categories, and innovation related strategies was examined by Kaliappen and Hilman (2017). The research was conducted by reading pertinent research on competitive related strategies, market related orientation kinds, and innovation related strategies, and also making comparisons of the shared features to achieve fit. The research offered criterion for differentiating the many forms of competitive related strategies, market related orientations, and innovation related strategies, as well as a model that suits a certain form of competitive related strategy, market related orientation, and innovation related strategy.

Tamayo-Torres et al. (2016) investigated the contributions of organizational learning and innovation in companies engaged in adaptability and strategic related fit procedures in unpredictable and chaotic settings. The research looked into how OL and invention are drivers of strategic fit as well as if strategic fit improves the performance. To conduct a transversal investigation, the researchers collected results from a research of 205 participants from Europe based businesses operating in high industries (responses were received: 11.43 %) and SEM. The model revealed that OL and the ability to innovate had a favorable effect on managers' major decisions to adjust their companies to changes in unpredictable situations. In consequence, achieving strategic fit increased organizational performance. Even though the innovative atmosphere is not a precise predictor of fit, the

research suggested viewing it as a driver of innovative products and processes developments.

Tamayo-Torres et al. (2016) investigated the link between supply chain strategic fit and future strategy formation. This research focuses on Taiwanese operations in China and presents projections based mostly on the trade - off theory and the holistic theory, which were developed utilizing data collected from 900 Taiwanese firms in China. Strategic fit, as measured by the amount of integration and the extent to which a Taiwan firm fits into the logistics network, might influence the proclivity for strategic shift. Such that, strategic fits in internalize plans for vertically integrating and localization tactics and strategies for match in the localized supply network are connected to how a company expresses its coming year's strategies. Industrial characteristics separating technical and none technological industries, as well as topographical variables separating the PRD and YRD, indicated varying levels of relevance in the tactical fit change connection.

Dang and Lin (2017) studied the impact of an aggregate match between strategy, environmental variables, and organisational capabilities on firm's performance, as well as the function of sector in moderating this connection. From 2010 through 2013, hierarchical regression modelling was utilized to evaluate the layered database schema from Taiwan's equity market's finance and technology businesses. According to the empirical findings, overall strategy fit was favorably connected to company performance, and this connection differed all across finance and telecommunications industries.

Tamayo-Torres et al. (2016) investigated the role of innovative leadership in fostering a bank's strategic fit with its ecosystem and encouraging multiple interpersonal, financial,

and performance metrics outcomes. It was therefore found how research and innovation allows a corporation to modify and acquaint itself with its external environment, hence promoting performance. The statistics from 118 organizations revealed that innovation-leadership, both indirectly and independently enhanced strategy fit, greatly improved performance.

Da Silva (2017) attempted to investigate if strategy technology "fit" exists, whether excellent fit led to enhanced performance, and the form of fit with relation to computer managed or "high tech production." A strategy technology arrangement was shown to correlate and present with relation to greater financial performance in a sample size of 450 metal-machining enterprises. Progressive technology have reinforced and transformed old beliefs regarding the flexibility-efficiency trade-off. Specific technologies were specially packaged or collaborated to meet specific competing demands.

Da Silva (2017) assessed the strategic match between adaptive-competitive strategy and business related intelligence to achieve operational excellence in insurance firms. The findings indicated that there existed a significant but positive association between explanatory variables “Adaptive-competitive-strategy (Defender, prospector & Reactor), business related Intelligence (Consistency, Insight & transformation)” and the criterion variablee “Excellence in organization” in Insurance firms at 95% level of confidence. A positive and statistically significant effect of Adaptive-competitive strategy (Defender, Prospector & Reactor) on excellence in organization in firms under study at 95% level of confidence. There significant positive effect of business intelligent (BI) (Consistency, Insight & transformation) on excellence in organization in firms under study at 95% level of significance. There significant positive effect of strategic fit between competitive

strategy (Defender, Prospector & Reactor) and BI (Consistency, Insight & transformation) on excellence in organization in firms under study at 95% level of significance.

In Kenya, Kihara et al. (2016) investigated the strategic fit aspects of pension payments and their impact on the functioning of the pension industry. The study sought to ascertain the influence of economical, political, and technical issues, as well as sociocultural ones, on performance. Political variables (r=0.857), economic factors (r=0.828), social cultural elements (r=0.775), and technical factors (r=0.645) all had an effect on effectiveness. Financial, social, social economic, and technical issues are interrelated and impact corporate performance to varied degrees.. The study therefore stated the following hypothesis:

Ho_5: Strategic fit has no significant effect on the relationship between strategic contingency factors and the organizational performance of commercial banks in Kenya.

Organizational Performance

The impact of the execution of numerous strategies selected by companies are reflected in an institution's performance. It is challenging to evaluate industrial performance objectively. Various companies employ various performance measures. These metrics might be either qualitative in nature or numerical. The bulk of companies use quantitative metrics to analyze the effectiveness of selected tactics and the effectiveness of their execution. There are both monetary and non-monetary performance related factors. Financial measurements including such ROE and efficiency are typically plant-level metrics that are affected by a variety of variables beyond the boundaries of manufacturing activities .

Earnings as well as other financial rewards are one of any company's aims. Financial measures were defined as a company's goal . Determinants of financial measurements, from these researchers, encompass forecasting future events, enhancing short-term profitability, increasing short or medium results, having a direct influence on company results, and increasing developmental administration. Kaufmann et al., (2021) agree with these writers and argue that the Balanced Scorecard Strategy believes financial measures to be one of the most important metrics of company success. An endeavor to separate the overall performance of the production process is to use metrics in which operations management performs an important role, such as functional performance metrics. Dimensions utilized readily correspond to a set of common of competitive criteria such as quality, timeliness, agility, and cost - effectiveness.

According to Mastella et al. (2021), the influence of company strategic variables on performance is dependent on the amount of instability a firm encounters. Since upcoming years aspects of the dynamic environment are hard to anticipate, managers in businesses encountering tumultuous settings must not prepare for a high degree of preparation. Mastella et al. (2021) investigated the influence of global diversity on profitability. According to their findings from a research of 63 multinational corporations, the profit overall performance of connected and unconnected diversification (mostly regarding product variety) differs depending on the amount of the company's worldwide market expansion. Mastella et al. (2021) investigated the connection between diversity, expansion (increased variability over period), and profit for 302 major UK based manufacturing enterprises. Their findings revealed that, on average, diversity was favorably connected to profit. The rate of return was utilized as the metric.

Accounting performance indicators have indeed been frequently utilized in diversification study (Hamdan, 2018; Zhang et al., 2019). Asset turnover measures a financial position in utilizing its assets. The influence of business strategy on company performance might well be represented more immediately in profitability ratio than in share price that represents investors' anticipation earnings (Alipour et al., 2019). Aldhamari et al. (2020) are proponents of a multidisciplinary perspective in organizational processes, arguing that performance should indeed be evaluated in a multifaceted way. According to Mostafa (2017) also helped contribute to the complex system of company variables discourse, arguing that performance metrics are multifaceted, that is, those who are not only finance dominance components but also institutional ability to adjust that are currently happening and will take place in its setting (qualitative). A genuine modeling of institutional performance should represent a very complex worldview and should incorporate more than one metric.

The impact of the execution of numerous strategies selected by companies are reflected in an institution’s performance. It is essential to determine industrial performance objectively. Various companies employ various performance measures. These metrics might be either qualitative. The vast majority of businesses use quantitative metrics to analyze the effectiveness of selected strategies and the profitability of their execution. There are indeed financial as well as non financial indicators of performance. Financial measurements like Roe and efficiency are typically plant-level metrics that are affected by a variety of variables beyond the purview of manufacturing activities (Levina et al., 2017).

Levina et al. (2017) investigated the profitability factors of 389 commercial banks in 41 SSA nations. The survey's goal was to figure out why SSA banks were more lucrative than

the rest of the globe despite the region's poor economic performance. The research also attempted to determine if large bank profits were a detrimental aspect of financial intermediary in sub-Saharan African nations. Employing yearly banking and Meta data, the research implemented regression analysis to evaluate the influence of business, industry, and macroeconomic factors on institution profits. Company size, activities and diversity, and institutional ownership were among the firm's attributes. Regulations and technical developments were examples of industry features, while hyperinflation and revenue were examples of macroeconomic factors. The study discovered that preceding period performance explained only a modest amount of banks ' profitability in Sub Sahara Africa, and that capital, counterparty risk, size of the bank, service offerings, rising prices, and economic development were key predictors of profitability in Sub- Saharan Africa.

Profits and other financial rewards are one of any company's aims. Financial measures were conceived as a firm's goal. (Hamdan et al., 2017). Variables of financial measurements, including these writers, include forecasting future trends, enhancing short-term profitability, increasing long-term output, having a direct influence on company output, and enhancing growth management. Hamdan et al. (2017) agree with these scholars and argue that financial measures are one of the important metrics of company success in the Balanced Scorecards related Strategy. An effort to separate the performance of the operating role is to use metrics in which operations related management performs an important role, such as operational related key metrics. Metrics utilized readily correspond to a set of common of competing criteria such as quality, timeliness, adaptability, and cost - effectiveness.

Research Gaps

Kim and Shin (2019) used regression analysis to evaluate the impact of different organizational structure features on the financial survival of 176 financially challenged Caribbean companies from 1988 to 1996. Their research established that companies that replace their CEO with an external director will be more than thrice as likely to fail. Higher levels of insider control are connected with a higher chance of company longevity. The research has a gap in knowledge in that it was done in Caribbean firms, which is a foreign setting. It is worth mentioning that there have been few such local research on this subject. Kim and Shin (2019) analyzed the attributes of the firm structure related to integrated competitive strategies and established that structure of the organization had an indirect, effect on performance through a hybrid-competitive strategy.

There are conceptual gaps in the need to further explore and analyze the understanding of communication technology. The research also reveals contextual limitations in that it, like most previous studies in this field, was done in a foreign nation. There is also an empirical gap on the necessity to evaluate additional development and growth approaches in addition to invention and their effects on performance.

Chatzoglou et al. (2016) analyzed the effect of ownership structure on bank performance in Europe both before and during the recent financial crisis. The study findings indicated that there existed strong heterogeneity in firm performance among various stakeholder ownership groups, except in private savings banks. Methodological gaps are shown on the necessity to examine stated goal rather than subjectively performance indicators that are subject to bias. Wanjiru investigated the influence of financial regulation on the

performance of DT-MFIs in Kenya and discovered a substantial positive association between regulation and DT-MFI performance. The research reveals a conceptual gap in that most investigations on this topic continued to provide contradictory findings, and the research was unable to explain the contradictions and inconsistencies.

Elmagrhi (2019) conducted a research to determine the relationship among regulations and banks performance, and discovered a positive and statistical meaningful effect of regulations on business sales, profit, and market value. Nevertheless, the research identifies a contextual gap in the necessity for a local investigation.

Banya and Biekpe (2017) studied the impact of Product-Market Diversification Strategy on Corporate Financial Development and Success in Nigeria. The findings revealed a strong and favorable relationship between financial success and the relevant diversification approach. The study highlights a contextual gap in the necessity to consider doing a local study. Auma (2014) investigated the impact of Developing A Product on Attracting Consumers by Saccos in Kenya's Baringo County. According to the research 's observations, most Saccos had inadequate product development policies. The research identifies methodological shortcomings in the necessity to evaluate performance measures other than consumer acquisition.

Auma (2014) investigated the influence of competitiveness tactics on corporate bank profitability through a study case of Equity Bank in Nairobi) and found that products creation approaches have a statistically significant effect on a firm bank's performance. An empirical gap on the necessity to broaden the framework of variables evaluated, particularly the aspects of competitive tactics addressed, is shown. Auma (2014) performed

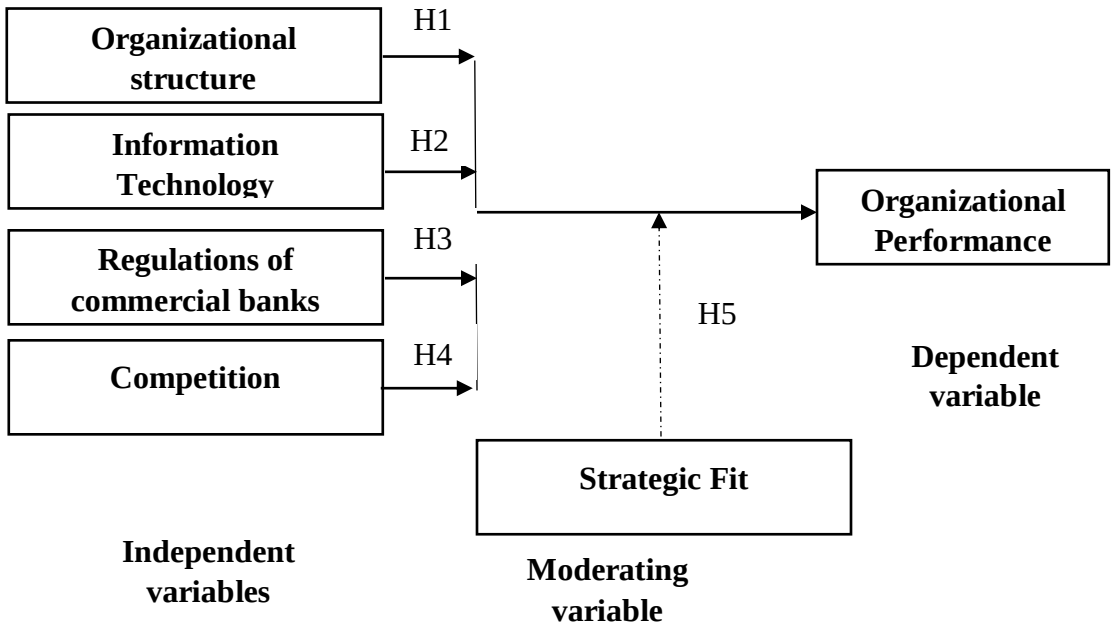
a case research of Kijabe Mission Hospital to investigate the effects of competing tactics on the efficiency of mission hospitals in Kenya. According to the study findings, cost leadership had the greatest effect on mission hospital success. Then came product and market development plans, and finally market targeting strategy. Differentiation was shown to have the least impact on mission hospital effectiveness. Kihara et al. (2016) investigated the correlation between competitive tactics and performance of the firm in a study case of Kenyan mobile telecommunications companies and discovered that competitive approaches, especially product differentiation strategies, have a significant impact on a company's performance. The study identifies contextual gaps in the requirement to address other critical sectors such as the banking industry. Empirical gaps also revealed the need to broaden the model of techniques subjected to evaluation.

2.4 Conceptualization

A conceptual framework is described as an analysis method that integrates empirical data into a more understandable graphical form demonstration in Figure 2.2 illustrates the conceptual framework that guided the research. It was conceptualized that strategic contingency factors (organizational structure, information technology, competition, and regulation) influenced the performance of commercial banks in Kenya while moderated by strategic fit.

Figure 2. 2

Conceptual Framework



As per Pålsson, and Sandberg (2020), organisation structure is the internal system of connections, power, and communications inside an organisation. Pålsson and Sandberg (2020) describe organizational structure equally as "the network of links and functions that exist across the organisation." Researchers of institutional theory have focused on the links between structure and strategy, structure and performance, and the alignment of strategy and structure with performance. The basic implications are that if the strategy is to achieve positive outcomes, organisations must suit structure and procedures (Nandakumar et al., 2015). The rapid advancement of communication and information technology over the last decade has ushered in a new era of opportunities and challenges in many economic zones.

IT enables quick, low-cost, and easy communication. Adoption of technology such as the Internet and mobile phones has been shown to improve organizational effectiveness (Valaei, 2017). Firms that employ information and communication technology expand quicker, invest more, and are more productive and lucrative than those that do not." Many research that look at the experiences of industrialized countries come to the conclusion that there is a favorable association between ICT use and higher performance. Nonetheless, depending on the results of several other research, Kaufmann et al. (2019) conclude that "the IT-productivity link remains unclear, with inconsistent results from multiple studies."

Sandhu and Kulik (2019) define financial regulations as legislation enacted by the state to control banking institutions . According to the Financial Times (n.d.), regulations are rules that control the activity of all financial organizations. He claims that these restrictions are aimed at preserving stable markets, regulating financial institutions, implementing applicable laws, pursuing incidents of market misbehavior, safeguarding customers and investors, and fostering financial system stability. These activities are regulated by both government authorities and international organizations. The CBK is Kenya's regulatory agency.

Competition is said to come before efficiency, causing earnings to be reallocated to more efficient institutions. In terms of earnings, more efficient banks dominate less efficient ones, driving industry-wide efficiency. Numerous research in mature and developing markets back up this idea of positive causation from competitiveness to efficiency (Moradi et al., 2017). Moradi et al. (2017) investigate the European banking system and discover that competition increased bank stability through an efficiency route. Moreover, Ghasemi et al. (2016) discover that the influence of competition on the efficiency of the South

African banking system is dependent on the measurement of competitiveness used. For example, he discovers that rivalry using the Boone index improved bank soundness, hence validating the wise and effective administration premise.

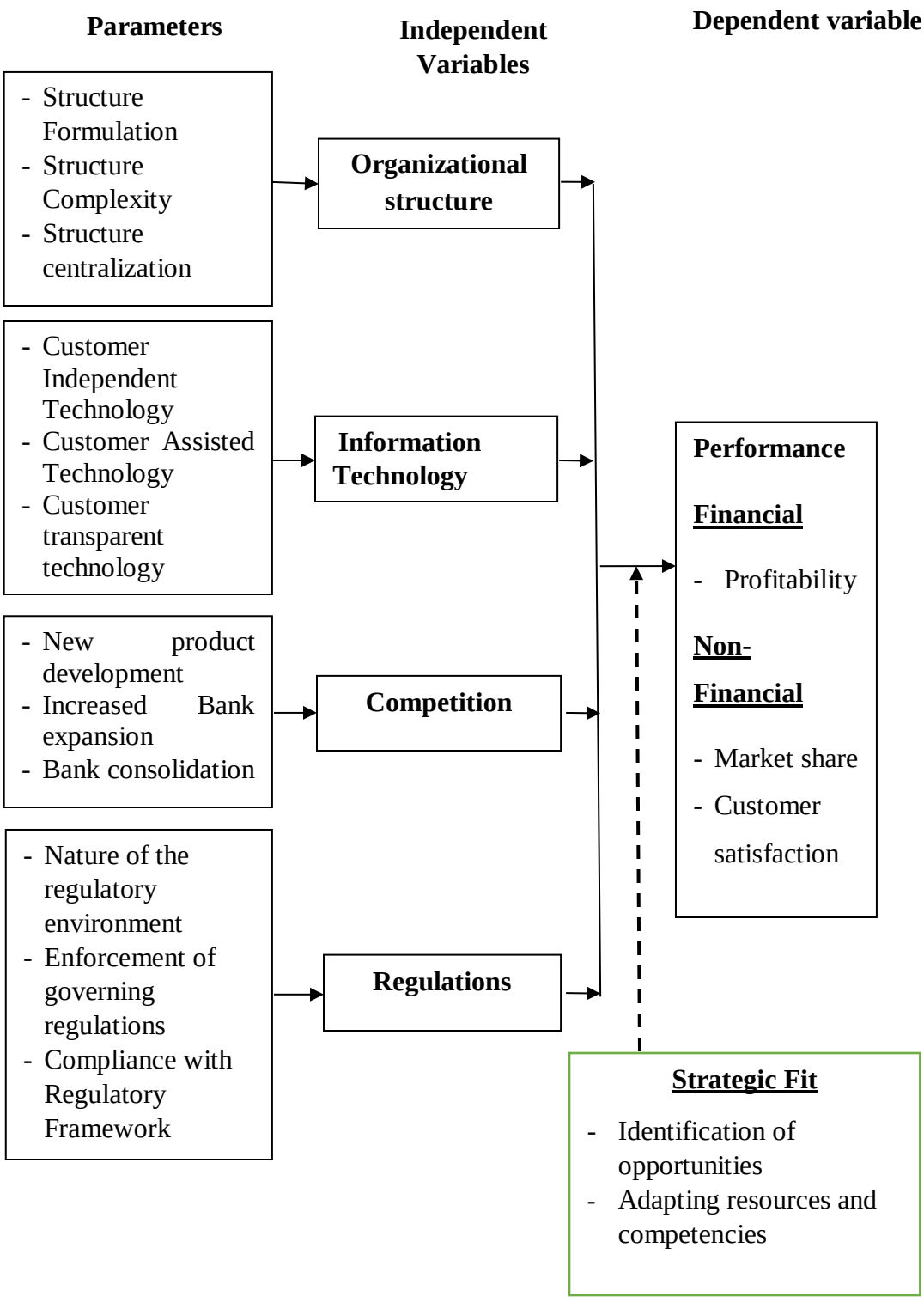
Strategic fit can as well be described as the creation of strategies by recognizing opportunities in the global landscape and adjusting capabilities and resources to gain sustainable competitive advantage (Dang & Lin, 2017). These techniques are complex because the company has little influence over the surrounding environment and thus coincides with these external influences. While a 'match' between strategy and environment is a requirement for the survival of the organization, this can be claimed that strategy comprises a continuum of domains specialization instead of adapting.

Fit is deemed vital to strategic management since; first, in the area of organizational legislation, the initial strategy model is embedded in the idea of "aligning" or "integrating" resources with external challenges and opportunities (Kaliappen & Hilman, 2017). In this background, the main role of fit in the strategy is to define the specific four elements of the strategy: business opportunities, business competencies and capabilities, personal values, and goals, and acknowledged responsibilities to divisions of the community besides shareholders.

2.5 Operationalization

Figure 2. 3

Operational Framework


Parameters
Independent Variables
Dependent variable
- Structure Formulation
- Structure Complexity
- Structure centralization
Organizational structure
- Customer Independent Technology
- Customer Assisted Technology
- Customer transparent technology
Information Technology
- New product development
- Increased Bank expansion
- Bank consolidation
Competition
- Nature of the regulatory environment
- Enforcement of governing regulations
- Compliance with Regulatory Framework
Regulations
Performance
Financial
- Profitability
Non-Financial
- Market share
- Customer satisfaction
Strategic Fit
- Identification of opportunities
- Adapting resources and competencies

Organization structure is frequently used to refer to a company's internal framework of connections, management, and communications. The research attempted to determine the association between organizational structure and organisational performance in Kenyan commercial banks. Structure formulation,complexity, and centralization were used to assess organisational structure. Each one of these measurements is also a distinguishing feature of a well type of structure (Nandakumar et al., 2015).

The level of differentiation inside an organisation is referred to as its complexity. According to Chavez et al. (2020) and others, formalization relates to an organisation that has precise job descriptions, a plethora of organizational norms, and precisely explained rules covering work processes. According to the research, formalization has major implications for organisational members since it specifies how, where, and by whom duties are to be completed. According to Aldhamari et al. (2020), while an increased degree of formalization eliminates job ambiguity, also it restricts members' judgment discretion, which can push out innovative and creative activity, inhibiting the search of possibilities. The extent to which the authority to make choices and assess actions is concentrated in the center is referred to as centralization. The most obvious approach to integrate managerial decision making is through a high level of centralization, yet it creates considerable mental effort on those executives who maintain control (Adji & Fernandes 2017).

The research aimed to evaluate the link between information technology and the performance of the organization of Kenyan commercial banks. Customer independent technology, aided technology, and transparent technology were used to quantify information. According to Abou-Moghli et al. (2012), technology in todays modern banking industry may be divided into 3 classifications: customer independence (a

technology through which a customer conducts and completes transactions with a bank without any human touch, such as ATMs, mobile banking, and Online banking); customer aided (a bank worker will utilize customer-assisted technology as a recourses to accomplish the transfer of funds, for example, call Center customer service officials will utilize a Customer Management (CRM) System to comprehend a client's description and offer immediate solutions to clients' queries on financial transactions and up-to-date billings and client transparent

The research also attempted to ascertain the link between competition and the organisation performance of Kenyan commercial banks. The variable of competition was examined through product development, increasing bank growth, and bank mergers. A basic Product Life cycle may be used to represent an expansion plan connected to new products. The success of this product in the target market defines the success of the organization's marketing strategy and, without a doubt, its overall effectiveness. Marketing effectiveness, in turn, reflects organisational performance. A question mark or star because the product being re-launched must be successful and in the launch or development phase of its life cycle (Karakara & Osabuohien, 2020).

And during growth phase of a product's life cycle, a corporation attempts to increase market share by convincing new consumers to sample the products and loyal clients to purchase more. As a result, the firm should employ new markets. During the decline phase, the business should attempt to re-introduce the products through market or product expansion. The framework analyses a product's strategic directions, and when products were put in the market expansion, that has a medium-risk strategy, and rivals as well released a product similar in the section, the product's success and place in the life cycle

will suffer. An early perception of bank mergers was that it reduced banking costs by eliminating surplus capacity in areas such as data processing, people, marketing, and duplicating branch networks (Vitorino et al., 2018).

Consolidation is defined as a decrease in the numbers of lenders and other deposit-taking organizations while simultaneously increasing the size and concentration of the industry's amalgamated organizations. Bank consolidation, regardless of the source, is performed to strengthen the financial system, accept globalisation, enhance healthy competition, capitalize on scale economies, embrace innovative technology, improve productivity, and increase profits. Finally, the objective is to increase banks' intermediation function and guarantee that they can fulfill their developmental role of promoting growth in the economy, which leads to greater aggregate economic efficiency and community benefit, they concluded (Dang et al. 2017). Further, the study sought to examine the relationship between regulation of banks and the organizational performance of commercial banks in Kenya. Regulations were measured in terms of the nature of the regulatory environment, the enforcement of governing regulations and the compliance with regulatory framework. Central banks are tasked with the work of regulating commercial banks (Freij, 2020).

Noah et al. (2020) broadly recognize that a structure if well put, a banking system, defined by administration, risk-taking, and regulatory policies, promotes greater performance and macroeconomic stability. Companies that are under-regulated are anticipated to have a larger bankruptcy risk, lower earnings, and pay lower shareholder dividends. Companies that are well-governed, on either hand, are predicted to have lower bankruptcy risks, better profitability, valuations, and higher cash payouts to shareholders. In contrast, insufficient banking industry supervision leads not just to unsafe financing practices and bad company

performance, but it can ultimately create a suitable macroeconomic turmoil ground. Other studies contend that good rules are critical for enhancing investor trust and liquidity (Mehrabi et al., 2020).

Finally, the research intended to determine the moderating influence of strategic fit on the link between strategic contingency elements and organisation effectiveness in Kenyan commercial banks. The strategic fit notion is based on the school of thinking that organisations have limited control over the situation and that the effectiveness of the business is dependent on its strategic alignment with the environment. Firms that do not develop methods to match their resources with their environments do not function well. This school of thinking arose from observations made in a market-based economy, which confirmed that a match between setting and plan has a strong and positive correlation with corporate performance (Dang & Lin, 2017). Strategic fit is also described as establishing strategy via the identification of possibilities in the corporate environment and the adaptation of resources and capabilities to capitalize on these possibilities (Afza et al., 2019). Since the company has no influence over the surrounding factors, the strategies are changeable. As a result, they are aligned to these environmental elements. Even though a 'fit' between strategy and surroundings is required for organizational survival, it may be maintained that strategy is more of a process of domains specialization than adaptability (Kaliappen & Hilman, 2017).

Fit is regarded critical to strategic management for several reasons. Firstly, under the first strategy perspective in the domain of business strategy, strategies are built in the notion of "pairing" or "connecting" resources with changes in the environment and dangers (Chan et al., 2020). The fundamental function of fit in strategy in this respect is to establish the four

elements of plan: market potential, firm competencies and resources, personal beliefs and ambitions, and acknowledged duties to parts of society other than investors (Kaliappen et al., 2017).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section described the methods utilized to conduct the analysis. It defined the study philosophy, the design of the study, the population, the sampling methods, and the sample size. Other areas discussed included the data gathering techniques and approaches as well as data presentation and interpretation.

3.2 Research Philosophy

The study was founded on the philosophy of positivist study. The positivism approach allows a researcher to construct hypotheses based on existing relevant theories (Schmitt et al., 2020). These hypotheses are then evaluated and verified or rejected by analytical and statistical approaches in an attempt to meet the research goals and to answer the research questions. The positivism philosophy requires that research must be performed in a manner that is independent of bias and objective, that the research is unbiased and must not be influenced or hampered by the research subject that the final result of the study ought to be law, like blanket statements comparable to those made by natural scientists, and positivists.

Positivist philosophy was embraced since this analysis was quantitative, the research was autonomous of the sample group and the findings of the study were not influenced by the viewpoint of the researcher to determine the exact circumstance of the interaction between contingency factors and organizational performance. The partnership was moderated by the strategic fit variable. This methodology was also reasonable, because it stressed measurable findings which can be used for quantitative tests, but since the research aims

to use quantitative statistics in the multivariate regression models to support major findings, this philosophy was therefore sufficient.

3.3 Research Design

According to Cooper and Schindler (2014), a research design is a precise strategy that specifies how the research will be carried out. It directs data collecting and analysis. According to Uyanto (2020), scholars are a clear strategy that outlines how the investigation will be carried out. It directs data collecting and analysis. Uyanto (2020) asserts that 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.

The research used a descriptive and correlational design technique in this investigation. This entails gathering data on phenomena as they existed at the time of the investigation. Because it is resilient, the correlational research design is suggested for association investigations. The variables under investigation are evaluated as they happen naturally. This research was carried out using a descriptive survey approach. This strategy is used to gather data from a big population at a certain moment in time in a cost-effective manner in order to describe the nature of the actual situation. Descriptive research can provide answers to queries like "what is" or "what was". It aims to determine what factors are connected with certain events, outcomes, and behavioral problems have previously employed a cross-sectional study design. Descriptive research design was also used for study aimed at determining when, how, as well as what, in connection to a phenomena.

3.4 Target Population

A study population is the complete set of all the entities that the analysis needs to make some conclusion for (Dietrich et al., 2014). Many researchers such as Dietrich(2014) describe it as a whole variety of defined analytical or data components, whereas Ghasemi et al. (2016) contend that the target group comprises a set of items or individuals of the total group from where the sample is derived. The target group for this study constituted the 41 registered banks operating within Kenya in the year 2017, as documented in the Bank Supervisory Report of the year 2017 (See appendix IV). The study unit of observation comprised of the heads from various functional units namely: operations department, HR department, finance department, and IT department. Therefore a total of 4 heads were targeted from each commercial bank making the total target to be 156 heads.

Table 3. 1

Target Population

Categories	**Respondents**	**Percent %**
Operations department	41	25.00
Finance department	41	25.00
IT department	41	25.00
HR department	41	25.00
Total	**164**	**100.00**

3.5 Sampling Procedure

The sampling technique entails the process employed to collect a specific smaller sample from a large target group that is assumed to have the features of the target group (Dropulić et al. 2014). Sampling is essential in the analysis as it allows the researcher to reduce costs since only a subset of the target group participates. Sampling is a technique used by a researcher to collect individuals, places, or objects to analyze. The procedure of choosing a percentage of individuals or items from a group is such that the specific sample appears to contain aspects representative of the characteristics of the cohort as a whole. However, this research will carry out a census on all banks without the use of a sampling method. The census method was employed since the sample was not large enough for sampling. In addition, there was a need for an in-depth viewpoint from the participants. Auma (2014) suggests that a census method should be implemented for a population of less than two hundred. The research engaged four participants from every Kenyan bank head office. Participants were Heads in various departments such as operations, finance, HR department, and the information technology, this gave a sample size of 164.

3.6 Instrumentation

The study employed structured self-administered questionnaire to gather information. Questionnaires were a suitable way to obtain primary data from respondents since they could be completed in their free time or when they had a reasonable weight of responsibility. Structured questions reduce answer variety, saves time coding and translating, and increase response rate (Auma et al., 2014). A 5 point likert response rating pegged at "5-strongly agree, and 1-strongly disagree" was also used to analyze the variables. The replies to various items are scored so that those with the most positive

attitudes obtain the highest rating of Five those with the most negative views receive the lowest rating of 1. Each responder is needed to identify their degree of agreement on a scale ranging from 1 to 5 likert levels - while 3 or 7 could also be used - in a likert - type scale (Banya & Biekpe 2017).

3.7 Pilot Study

The research tool was piloted in at the head offices of prime bank and community bank in Nairobi County, before the actual data-gathering exercise. Pre-testing of research tools is necessary to prevent shortcomings during the actual data-gathering exercise. Babin (2010) claims that a pre-test is a validation approach that requires the researcher to administer the research tool on a relatively smaller group of respondents primarily to prepare for feedback and adjustments. This method allows the researcher to reduce incorrect responses due to misrepresentation of queries or leaving empty spaces as a result of a lack of understanding among participants. Further piloting was used to confirm the accuracy of the research instrument. Piloting involved 10 percent of the sample group that constituted the target population (Banya & Biekpe, 2017). This involved two commercial banks namely prime bank and community bank. Cooper and Schindler (2014) contend that the participants involved in piloting should not be statistically picked. Five to ten percent of the population is adequate for a piloting group. Following this claim, therefore two commercial banks [prime bank and community bank] were adequate. The study consequently administered questionnaires to 16 participants from the banks main offices for piloting purposes which was equivqlent to 10 percent of the sample size.

Reliability of the Research Instrument

To discern reality, measurement of human behavior employs positivism. (Cooper & Schindler , 2014) . 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 (Chatzoglou , 2017). Reliability is consistency of measurement over time under varying conditions. Several factors can prevent measurement from being replicable. This study used the Cronbach's alpha to measure the internal consistency of the research instrument. Cronbach coefficient value greater than 0.7 was used as a cut-off point.

Validity of Data Collection Instruments

Validity addresses the question of whether an instrument measurer 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. Chatzoglou (2017) 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. Construct related validity of the data collection tool was also tested before the quantitative method of analyzing data, component factor analysis (CFA) was performed to help reduce data to levels that are easily managed. All factor loadings that were less than the required 0.4 were removed as recommended (Cooper & Schindler , 2009). To determine if factor analysis was necessary, the Kaiser- Meyer Oklin (KMO) test of sampling adequacy was performed. Auma (2014) stated that it was necessary to proceed with factor analysis if the KMO value was greater than 0.40.

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.

3.8 Data Collection Procedure

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 41 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 four (4) from each bank: the heads from the following departments: Operations, finance, IT and HR. 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, 127 out of the targeted 156, they were grouped per bank, checked for completeness, numbered from 1 to 127 and coded. The coded questionnaire data was then entered into the computer and processed for data analysis.

3.9 Data Analysis and Presentation

Vidal et al. (2017) describes statistical analysis as a deliberate, arrangement and grouping of data in an attempt to yield useful information. Data collected utilizing survey questions were quantified using both inferential and descriptive statistics using SPSS Version 26 Descriptive related statistics included means and standard deviations.

Diagnostic Tests

Before testing the hypotheses, regression analysis assumptions were observed. The research performed diagnostic checks to confirm that the assumptions were not violated. These include tests on normality, homoscedasticity, multicollinearity, and self-correlation tests.

Normality Test

The normality test of the organizational performance variable was done. Shapiro-Wilk test of normality was employed to identify all deviations from a normal distribution. They fail to reject the normality hypothesis when the significant value is equal to or less than 0.05. The following were the null and alternative hypotheses: Ho: The data is normally distributed. H1: The data is not normally distributed

Multicollinearity

According to Claver-Cortés (2012), multicollinearity happens whenever there is a linear relation among variables in a linear regression model. Multicollinearity renders estimates of the coefficients of change unpredictable about minor variations in the model or results. Multi-collinearity raises the normal coefficient error (Claver-Cortés, 2012). Dahabreh et al. (2020) cited that Tolerance and VIF values were used in the interpretation of the test.

Durbin–Watson statistic Test for Auto-correlation

Residual independence was tested by employing the Durbin–Watson statistic. Which is a statistical test applied to estimate the existence of serial correlation in prediction error or residuals from the regression analysis (Claver-Cortés , 2012). The test was carried out to evaluate the null hypothesis that states the errors were not mutually independent. The Durbin-Watson statistic value ranges between 0.0 and 4.0 and 1.50-2.50 for an appropriate scope with a significant value of somewhere around 0.050.

Effect of Contingency Factors on organizational performance

To evaluate the impact of organizational structure, information technology, competition, and regulation on organizational performance inferential statistics, i.e. regression and correlation analysis were employed. The preceding linear regression models and models were utilized to evaluate the coefficients of the explanatory variables (organizational structure, information technology, competition, and regulation) with respect to organizational performance.

$$\mathbf{Y = \beta_0 + \beta_1 X_1} + \varepsilon \quad \text{(i)}$$

$\mathbf{Y = \beta_0 + \beta_2 X_2 + \varepsilon}$ …… (ii)

$\mathbf{Y = \beta_0 + \beta_3 X_3 + \varepsilon}$ …… (iii)

$\mathbf{Y = \beta_0 + \beta_4 X_4 + \varepsilon}$ ……..(iv)

$\boldsymbol{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon}$ ……..(v)

Where:

Y = Organizational performance; X_1 = Organizational structure; X_2= Information Technology; X_3 = Competition; X_4= Regulation and ε = Error term

In the model, $\beta 0$ denoted the constant term whereas the beta coefficients 1, 2,3,4,5 denoted the strong effect on the criterion variable (Y). ε Denoted the error term that explained uncaptured variations within the study model.

Moderating Effect

Regression analysis models were developed as follows. The R square of the models was compared to assess if there was an important moderating effect of strategic fit, the significance of the interaction term was used to validate the effect.

$\mathbf{Y = \beta_0 + \beta_4 X + \beta_5 Z + \beta_6 (X_1 * X_2 * X_3 * X_4) Z} + \varepsilon$ …… (viii)

Where; Z = Moderating variable (Strategic fit), $\mathbf{(X_1 * X_2 * X_3 * X_4)}$

Z = Interaction terms

The usefulness of employing MMR in determining the effect of moderators is obvious from the evidence that this approach has indeed been commonly utilized by scholars (Evans, 2011). According to the above regression, the strategic fit was shown to have a major moderating effect if the beta coefficient of the interaction terms (β3) were significant (Has a p-value less than 0.05). T-test and F-Statistics at a 5% level of significance were used to analyze the level of significance.

Hypothesis Testing

Multiple regression in the context of an empirical model was used to assess if or not the null hypotheses specified in this analysis were valid. Cooper and Schindler (2014) suggest that multiple regression attempts to assess whether or not the null hypothesis is statistically supported. The effect of contingency factors on organizational performance was calculated by examining the p-value against the level of significance of 0.05. Where the p-value of the beta value is less than 0.05, the null hypothesis was rejected, but where the p-value is greater than 0.05, the null hypothesis was not rejected.

3.10 Ethical Consideration

This research followed acceptable research protocols and all sources of insight were recognized as far as reasonable. Approval was obtained and provided by the participants before the administration of the questionnaire. Participants were told of their obligation not to participate in the survey. Complete anonymity was retained, particularly when working with survey questions and the names of the participants were kept private. Sensitivity to the sentiments of the respondents was demonstrated whenever the sensitive concerns were discussed. Respondents also were told that the data they provided would not be used in either manner to damage or misuse respondents for economic and dishonest selfish enrichment, but instead for educational purposes. Complete transparency, equal treatment, and confidentiality were also observed.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

In this chapter, the outcome of the gathered data is presented. The analysis of data was done in line with objectives whereby trends were established, interpreted and inferences made accordingly. The findings of descriptive and inferential analysis are provided. This chapter also presents a discussion of the research 's findings.

4.2 Response Rate

In this study, 156 questionnaires were administered to all the respondents where only 127 were adequately filled out and returned as tabulated in Table 4.1. This gave a rate of response of 77.43%. Auma(2014) suggests that a rate of response of 50% is adequate. Additionally, Kihara et al. (2016) indicated 60 percent as good and 70 percent to be very good. Concerning the current study, the response rate of 82.47 percent was deemed appropriate. The high response rate was achieved because the researcher gave the respondents enough time to fill the questionnaires. The researcher also made follow ups reminding them to fill the questionnaires.

Table 4. 1

Response Rate

	Frequency	**Percent (%)**
Returned	127	82.47
Not returned	27	27.53
Total	**156**	**100.00**

4.3 Pilot Study Results

Reliability results

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 Malmqvist, et al. (2019 Cronbach's alpha is useful in estimating reliability for item-specific variance in one-dimensional test. The value of the alpha lies between 0.0 and 1.0 with internal consistency improving with an increase in the value. According to Malmqvist, et al. (2019) the coefficient of 0.60 - 0.70 is recommended whereas above 0.80 implies excellent reliability. In the current study, 0.7 was considered acceptable. Table 4.2 presents findings on the reliability test.

Table 4. 2

Reliability Results

Variables	Cronbach's alpha	Number of items
Organizational structure	0.827	15
Technology	0.802	19
Regulations of banks	0.770	11
Competition	0.814	15
Strategic fit	0.726	7
Organizational Performance	0.742	12
Overall	0.948	77

Table 4.2 shows that organizational performance had a reliability coefficient alpha $\alpha = 0.742$, the organizational structure had a reliability coefficient alpha $\alpha = 0.827$, Technology had a reliability coefficient alpha $\alpha = 0.802$, Regulations had alpha coefficient $\alpha = 0.835$, Competition had a reliability coefficient alpha $\alpha = 0.814$ and Strategic fit had a reliability

coefficient alpha $\alpha = 0.626$. In summary, all the study variables managed to meet the recommended alpha value of 0.50 (Cooper & Schindler, 2010). This implied the research tool was reliable since the value of the Cronbach alpha was 0.948

Validity of the Research Instrument

Factor analysis was employed to test the construct validity. The study applied two widely utilized measures of sampling adequacy; they included the measure of KMO and Bartlett's Test of Sphericity. The (2) two tested the significance of the association between the explanatory variables and that of the predicted variable. In almost all social science researches, the tests are applied to facilitate the making of the decision concerning the sample adequacy.

A KMO value that is acceptable for a factor to be said to be significant ranges from 0.0 to 1.0 and an index equal to or greater than 0.50 is thus said to be good. The other test concerns the study's significance in terms of the suitability and validity of the various factors under consideration. The acceptable index in this case ought to be less than 0.05. The results were tabulated as indicated in Table 4.3.

Table 4. 3

KMO and Bartlett's Test

KMO Measure of Sampling Adequacy.		0.878
Bartlett's Test of Sphericity	Approx. Chi-Square	9566.534
	Degree of freedom	2628
	P-value	0.001

In view of Table 4.3, the outcome concerning the KMO measure of sampling-adequacy was 0.878, a value greater than the 0.50 which was not above the 1.0 therefore it was an

index that is statistically acceptable. Also, Bartlett's test of Sphericity attained a significance value equal to 0.000 which was below 0.05. It was therefore concluded that the factors were valid and appropriate as they were significant and would give a high significant correlation amongst the study variables. The study therefore proceeded with correlation and regression.

4.4 Demographic Characteristics of Respondents

The study sought to establish the age of the respondents, the results in Table 4.4 shows most of the respondents (39%) were aged between 40 and 49 years, 30.8% were aged between 31 and 39 years while 18.2% were aged 50 years and above, this means that a large number of banks heads of departments were older generation.

Table 4. 4

Distribution of Respondents by Age

Age	**Frequency**	**Percentage** (%)
Below 30 years	15	11.8
31 – 39 years	39	30.8
40 – 49 years	50	39.0
50 years & above	23	18.2
Total	**127**	**100.0**

It was critical to determine the education level of the research respondents in order to determine if they possessed necessary knowledge and abilities on strategic contingency factors and performance. The degree of education of participants is shown in Table 4.4. was sought and majority (65.6%) had bachelors degree, while 34.40% had postgraduate degreeas their highest level of education.

According to these findings, the majority of the respondents were qualified to comprehend the nature of the research problem. Claver-Cortés (2012) agrees that throughout the qualitative research, participants with technical understanding of the study subject aid in the collection of trustworthy and correct data on the problem under inquiry. This revealed that the majority of the employees were competent experts with specialized skills and understanding on the research subject, providing accurate information on strategic contingency variables and organisation performance to the research.

Table 4. 5

Education Level of the Respondents

Education Level	Frequency (F)	Percentage (%)
Bachelor's degree	83	65.60
Postgraduate degree	44	34.40
Total	**127**	**100.00**

It was critical to establish the area wherein the participants operated since not all divisions are actively engaged in an institution's strategy process, and therefore the dispersion of the respondents can impact the survey's conclusions. Table 4.5 summarizes the findings. Respondents were requested to indicate the divisions in which they served. According to Table 4.5, 41.7 percent of the respondents were in management, 33.1 percent were operations managers, and 25.2 percent were overall managers. According to the results, the respondents were evenly dispersed among the divisions of the study's concern, which might have led to reliable replies. Staff categorization is linked to the obligations and responsibilities of the post and is eventually dependent on the skills of the position holder, making it relevant to this research.

Table 4. 6

Department of the Participants

		Frequency	Percent (%)
	General manager	53	41.7
	Operations manager	42	33.1
	Customer care manager	32	25.2
	Total	**127**	**100.0**

The research embarked to establish in years the length in time the participants had been in employment at the banks under study. The findings were as tabulated in Table 4.6. The findings show that 44.1% of the participants had been serving their organizations for a period ranging between 9 to 12 years whereas 23.6% cited 4 to 8 years and 21.3% cited over 12 years and 10.2% indicated between 1 to 3 years. The outcome implied that the participants had the required knowledge concerning the study problem since they had enough experience in the organization and therefore deemed appropriate to facilitate the study on the contingency factors, strategic fit, and organizational performance in their respective firms.

Table 4. 7

Length of Employment

		Frequency	Percent (%)
Valid	Less than 1 year	1	0.8
	One to three years	13	10.2
	Four to eight years	30	23.6
	9 - 12 years	56	44.1
	Above 12 years	27	21.3
	Total	**127**	**100.0**

4.5 Descriptive Analysis

Descriptive Results for Organizational Performance

This section presents descriptive statistics findings on organizational performance, Concerning the findings in Table 4.8, 87 percent of the participants agreed that their organizations registered an increase in quality of products; 92.3 percent of the participants agreed that their companies have registered growth of existing customers; 45 percent of the participants strongly agreed that their organizations have high market share which is an indicator of significant-good organizational performance, 87.5 percent agreed that their companies have registered growth in profits, 87 percent also agreed that their companies have registered growth in the area the products are supplied, 82.9 percent agreed that growing shareholders' returns are an indicator of good organizational performance in my bank. Lastly, 87 percent agreed that their companies have registered growth in market share.

Table 4. 8

Descriptive Statistics for Organizational Performance

Statements	**Disagree %**	**Agree** %
My bank has a high market share which is an indicator of significant-good performance.	13	87
The development of strong strategic alliances with other organizations in our industry is a major factor that drives performance in my bank	18.3	81.7
Growing shareholders' returns is an indicator of good performance in my bank	17.2	82.9
The bank disburses salaries, payments, dividends, and other dues regularly and timely.	22.4	77.5
Rapid diversification is a strong indicator of good of performance in my bank	26.6	73.3
The bank has registered growth in the area the products are supplied	13	87
The bank has registered growth in profits	12.4	87.5
The bank has registered higher ratings in customer surveys	20.1	79.8
The bank has registered growth of repeat sales	11.2	88.7
The bank has registered growth of existing customers	7.7	92.3

Descriptive Results for Information Technology

The research sought to ascertain the influence of IT on performance. According to the findings in Table 4.9, 83.4 percent of the participants agreed that automatic vending machines are located in easily accessible locations; 84.3% agreed the Automatic vending machines are easy to use; 79.5% agreed automatic vending machines are convenient for bank customers; 92.2% agreed automatic vending machines have aided in the reduction of queues in banking rooms; 72.4% agreed credit cards are simple to use; 68.5% agreed credit

cards are simple to utilize for bank customers; 78.7% agreed credit cards are easy to utilize and take with you; 64.6% agreed clients do not dread online banking since they are concerned about web hackers gaining access to their accounts; 92.9% agreed to secure personal data and dealings, customers are given secure data; 88.1% agreed to protect client information, the service is run in a controlled and regulated setting; 86.6% agreed their bank takes every precaution to ensure the safety of data and information transmitted via the online banking network; 80.3% agreed clients seek support from customer service centers; 60.6% agreed client support representatives utilize a client relationship management platform to learn about clients' profiles and respond quickly; 59.8% agreed for all client support, banks have set up a customer care division; 67.7% agreed the technology is simple to use; 88.2% agreed the technology provided the bank with a competitive edge and lastly, 88.9% agreed the banks' operating expenses have been lowered as a result of the technology. There was a significant relationship detected between information technology and performance ($p < 0.000$)) implying diffrences in level of agreement among participants.

Table 4. 9

Descriptive Results for Information Technology

Statement	Agree	Disagree	Chi – square ($\chi 2$)	P-value
Automatic vending machines are located in easily accessible locations.	16.5	83.4	46.927	0.000
The Automatic vending machines are easy to use.	15.8	84.3	56.098	0.000
Automatic vending machines are convenient for bank customers	20.4	79.5	53.753	0.000
Automatic vending machines have aided in the reduction of queues in banking rooms.	7.9	92.2	37.605	0.000
Credit cards are simple to use.	27.6	72.4	43.368	0.000
Credit cards are simple to utilize for bank customers.	31.5	68.5	118.582	0.000
Credit cards are easy to utilize and take with you.	21.3	78.7	508.000	0.000
Clients do not dread online banking since they are concerned about web hackers gaining access to their accounts.	35.4	64.6	84.441	0.000
To secure personal data and dealings, customers are given secure data.	7	92.9	35.598	0.000
To protect client information, the service is run in a controlled and regulated setting.	11.8	88.1	39.869	0.000
Our bank takes every precaution to ensure the safety of data and information transmitted via the online banking network.	13.4	86.6	31.048	0.013
Clients seek support from customer service centers.	19.7	80.3	59.689	0.000
Client support representatives utilize a client relationship management platform to learn about clients' profiles and respond quickly.	39.4	60.6	37.775	0.002
For all client support, banks have set up a customer care division.	40.1	59.8	29.157	0.023
The technology is simple to use.	32.3	67.7	23..050	0.020
The technology provided the bank with a competitive edge.	11.8	88.2	21.987	0.000
The banks' operating expenses have been lowered as a result of the technology.	11.1	88.9	23.157	0.000

Descriptive Results for Regulations

The third objective of this study was to establish the influence of regulation on organization organizational performance. According to the results in Table 4.10, 89% of the participants agreed that in comparison to other banks in Kenya, the institution has a lot of regulatory obligations; 95.3% agreed Some banks provide goods that this bank is unable to provide due to national rules or constraints; 92.9% agreed the legal context is a regular topic of discussion at the bank's senior management and board meetings; 92.1% agreed the lender's legal role is separate from its operations; 86.5% agreed adherence to rules is held to a high standard across the bank; 81.9% agreed the director of conformance similarly delivers conformity reports for prudential guidelines regularly; 91.3% agreed the lender's responsibility for regulatory adherence is shared between two people; 89% agreed there is a mechanism in place to ensure that laws and prudential standards are followed; 88.3% agreed banks guarantee that prudential requirements are followed; 92.2% agreed the bank follows prudential standards to the letter; 89.7% agreed the essential aspects of the regulatory environment are adequately communicated to the workforce. There was a significant relationship detected between regulations and performance ($p < 0.000$) implying diffrences in level of agreement among participants.

Table 4. 10

Descriptive Results for Regulations

	Disagree %	**Agree** %	**Chi – square ($\chi 2$)**	**P-value**
In comparison to other banks in Kenya, the institution has a lot of regulatory obligations.	11.1	89	23.056	0.000
Some banks provide goods that this bank is unable to provide due to national rules or constraints.	4.8	95.3	30.190	0.000
The legal context is a regular topic of discussion at the bank's senior management and board meetings.	7.1	92.9	18.289	0.023
The lender's legal role is separate from its operations.	7.9	92.1	47.935	0.002
Adherence to rules is held to a high standard across the bank.	13.4	86.5	26.383	0.049
The director of conformance similarly delivers conformity reports for prudential guidelines regularly.	18.1	81.9	21.961	0.013
The lender's responsibility for regulatory adherence is shared between two people.	8.7	91.3	34.869	0.004
There is a mechanism in place to ensure that laws and prudential standards are followed.	11	89	30.148	0.017
Banks guarantee that prudential requirements are followed.	11.8	88.3	17.615	0.003
The bank follows prudential standards to the letter.	7.9	92.2	24.472	0.001
The essential aspects of the regulatory environment are adequately communicated to the workforce.	10.3	89.7	28.041	0.031

Descriptive Results for Organization Structure

The fourth study objective determined how organizational structure influenced the performance of the Kenyan commercial banks. Given Table 4.10, 79.5% agreed that official meetings/briefings for sections/departments are held regularly; 65.4% agreed on every activity that the corporation does, written official communications must be utilized through defined routes; 74.1% agreed every job in this company has a documented position description; 61.5% agreed for new employees, there is a structured orientation program; 67.7% agreed all employees have easy access to the policies and procedures handbook; 81.9% agreed Before a choice is made, there are just a few layers of hierarchy; 78.7% agreed There are some levels of hierarchy prior to making of decisions; 75.6% agreed there is indeed a designated department to handle each company mission; 78.8% agreed the head of the department approves decisions; 60.7% agreed subordinate employees take an active role on issues about the company's daily operations and lastly, 62.2% agreed that even before a company earns any investment choices, it must be authorized by the board of directors. There was a significant relationship detected between organizational structure and performance ($p< 0.000$) implying diffrences in level of agreement among participants.

Table 4. 11

Organization Structure Descriptive Results

	Disagree %	**Agree** %	**Chi – square ($\chi 2$)**	**P-value**
Official meetings/briefings for sections/departments are held regularly.	20.5	79.5	24.345	0.000
On every activity that the corporation does, written official communications must be utilized through defined routes.	34.6	65.4	34.869	0.004
Every job in this company has a documented position description.	26	74.1	30.148	0.017
For new employees, there is a structured orientation program.	38.6	61.5	17.615	0.000
All employees have easy access to the policies and procedures handbook.	32.3	67.7	24.472	0.000
Before a choice is made, there are just a few layers of hierarchy.	18.2	81.9	28.041	0.031
There are some levels of hierarchy prior to making of decisions.	21.3	78.7	41.690	0.000
There is indeed a designated department to handle each company mission.	24.4	75.6	35.064	0.004
The head of the department approves decisions.	21.3	78.8	24.345	0.000
Subordinate employees take an active role on issues about the company's daily operations.	39.4	60.7	19.511	0.000
Even before a company earns any investment choices, it must be authorized by the board of directors.	37.8	62.2	33.119	0.000

Df = 16, N = 127

Content analysis for interviews and open-ended questions on organization structure

Participants indicated that in order to attain optimal performance of the organization, senior bank leadership assigns particular goals to particular personnel. Furthermore, the bank's leadership does all possible to achieve the greatest outcomes for its clients while also managing risk sensibly. Management stated that they are responsible for guaranteeing that strategic strategies are in effect and for monitoring success against these goals. Top bank executives have put in place procedures to ensure that staff' responsibilities and skills are aligned with the banks' aims. They maintain high standards of personnel satisfaction by providing fair conditions of involvement, which also include fair salary to encourage excellent performance. To maintain and satisfy its clients, the banks' senior management has also assured exceptional client service. Institutions maintain corporate governance mechanisms in operation; participants indicated that this is essential to maintaining company honesty and stakeholder confidence.

The accountability, responsibility, openness, and fairness pillars serve as the foundation for governance practices ideals. The senior management (the BoD) is liable for the corporate governance procedures of banks and has systems in place to guarantee observance and compliance with the Central Bank of Kenya's prudential requirements. According to participants, senior management has created a work atmosphere that encourages cooperation, the creation of new concepts, and a sense of duty. Bank management is available to all workers and other parties due to open policies.

Descriptive Results for Competition

The fourth study objective was to determine how technology influenced organization organizational performance. As per the result shown in Table 4.12, 61.5% agreed that the growing bank market is authoritarian; 67.7% agreed bank efficiency improves as a result of competitiveness in the banking sector; 81.9% agreed the degree of competition among Kenyan banks is a measure of the overall strength of the banking sector; 75.6% agreed due to market rivalry, the banks chosen through a cutthroat competition spend their money more efficiently; 78.8% agreed due to competition, institutions are more adaptable to market developments and have greater flexibility; 60.7% agreed banks have competitively balanced policies, better-qualified administration, and effective data management as a result of competition; 94% agreed financial services rates have been reduced as a result of competition; 83% agreed increased competitiveness leads to a greater number of loans being made available; 95% agreed more rivalry leads to a rise in market power, which increases banks' incentives to evaluate the trustworthiness of borrowers, resulting in a higher-quality application pool. There was a significant relationship detected between competition and performance ($p< 0.000$) implying diffrences in level of agreement among participants.

Table 4. 12

Descriptive Results for Competition

	Disagree %	Agree %	Chi – square ($\chi 2$)	P-value
The growing bank market is authoritarian.	38.6	61.5	34.869	0.004
Bank efficiency improves as a result of competitiveness in the banking sector.	32.3	67.7	30.148	0.017
The degree of competition among Kenyan banks is a measure of the overall strength of the banking sector.	18.2	81.9	17.615	0.007
Due to market rivalry, the banks chosen through a cutthroat competition spend their money more efficiently.	24.4	75.6	24.472	0.003
Due to competition, institutions are more adaptable to market developments and have greater flexibility.	21.3	78.8	28.041	0.031
Banks have competitively balanced policies, better-qualified administration, and effective data management as a result of competition.	39.4	60.7	41.690	0.000
Financial services rates have been reduced as a result of competition.	33	94	35.064	0.004
Increased competitiveness leads to a greater number of loans being made available.	32	83	24.345	0.002
More rivalry leads to a rise in market power, which increases banks' incentives to evaluate the trustworthiness of borrowers, resulting in a higher-quality application pool.	44	95	39.898	0.001

4.6 Factor Analysis Results

Bartlett's Test and also KMO were carried out to determine the adequacy of the sample for the organizational performance variable before performing factor analysis. As was highlighted by Dahabreh et al. (2020) factor analysis needed to be performed to determine the study validity of construct amongst the observed variable and also to establish the existence of any variables that were correlated to reduce data redundancy. The results as tabulated in Table 4.13 indicated that the KMO statistic for the variable (technology) was 0.904, for the variable (regulations) was 0.766, for the variable (organization structure) was 0.786 and for the variable (Competition) was 0.771 which are high in terms of significance; the value was way greater than the significance level concerning the critical level preset at 0.5.

Additionally, to test, Bartlett's Test of Sphericity for the variables were technology (Chi-square = 1040.324 with 66 df: $p < 0.05$), regulations (Chi-square = 363.706 with 55 degrees of freedom, at $p < 0.05$), organizational structure (Chi-square = 605.052 with 91 df, 95% level of conf.) and Competition (675.461with 105 df, at $p < 0.05$) and the level of significance of 0.000. The Bartlett's Test of Sphericity of the variables were well highly significant. The outcome offered a good justification for why the factor analysis was performed.

Factor Analysis for Organizational Performance

The 12 items concerning the outcome variable organizational performance were subjected to a reliability test, which yielded a score of 0.742. The 12 items were then subjected to factor analysis, yielding the corresponding findings (see Appendix 4). Shrestha (2021) states that the usual general principle for appropriate factor loading is 0.40 and above. All 12 variables had thresholds greater than 0.4 and were consequently eligible for additional statistical analysis.

A reliability analysis was performed on the 19 items assessing the predictor variable - technology, and a Cronbach's Alpha score of 0.802 was achieved. The 19 items were subsequently subjected to factor analysis, yielding the corresponding findings (see Appendix 4). The statement 'The technology has assisted in reducing the congestion inside the halls,' marked by TEC19, had a loading factor of 0.397, whereas other factors scored thresholds of 0.4 and were therefore evaluated for subsequent data analysis.

A reliability analysis was performed on the 11 items assessing the predictor variables - regulations, and a Cronbach's Alpha value of 0.770 was achieved. The 11 items were then subjected to factor analysis, yielding the following findings (s see Appendix 4). The factors obtained thresholds of 0.4 as a consequence of the findings and were therefore evaluated for additional data analysis.

The purpose of the research was to determine if all of the questionnaire items had the required factor loading to be incorporated in the research. The findings were given in Appendix 4. Because all of the items had coefficients greater than the 0.4, they were all kept for investigation. Clark et al. (2019) define appropriate factor loading as being equal

to or more than 0.4. Shrestha (2021) backs this up by claiming that a loading factor of 0.4 has high factor consistency and leads to desired and accepted outcomes.

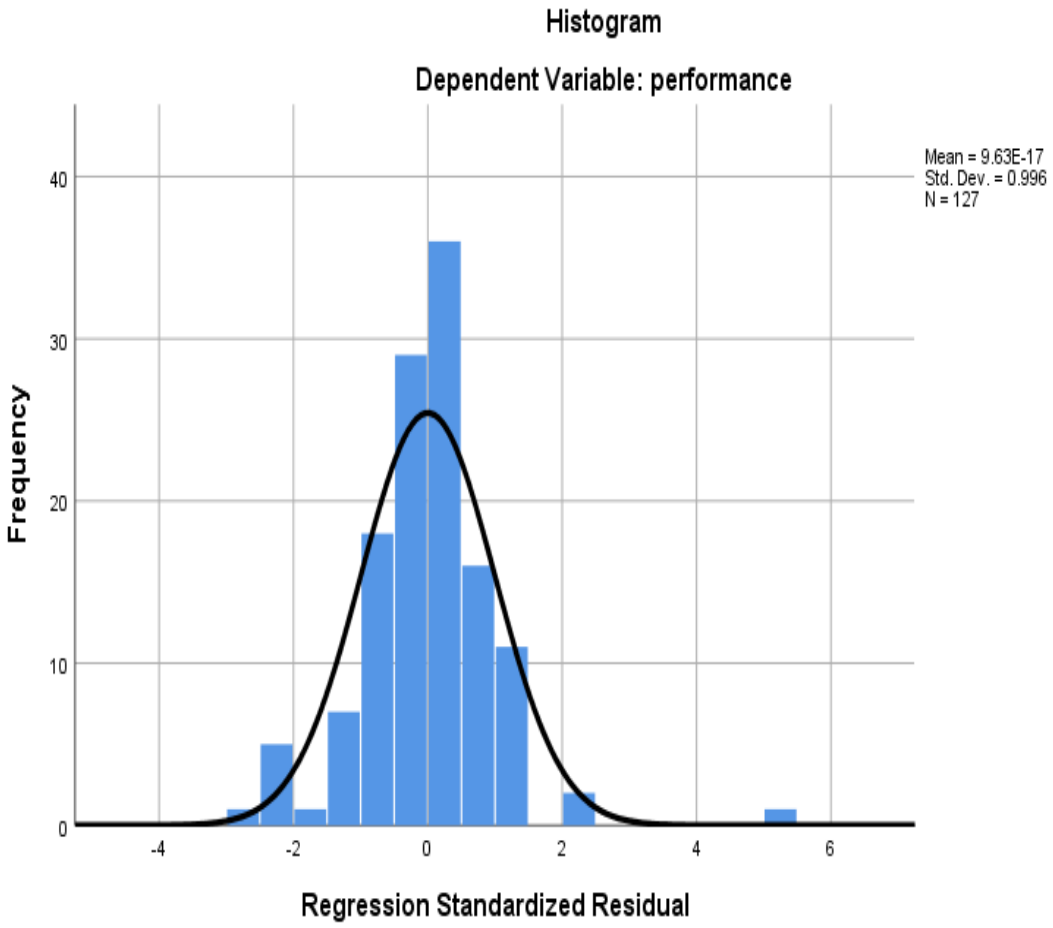
A reliability analysis was performed on the 15 items assessing the independent variable competition, and a Cronbach's Alpha score of 0.814 was achieved. The 15 items were then subjected to factor analysis, yielding the corresponding findings (see Appendix 4). The usual general rule for appropriate factor loading, as per Godsey et al. (2018), is 0.40 or above. All of the other variables reported criteria of 0.4 as a consequence of the findings and were therefore evaluated for subsequent analysis.

4.7 Test of Regression Assumptions

Before fitting the study regression models, it was paramount to find out whether the model assumptions were violated or not. In case of any violations, the models might not have given accurate results. In this research, various tests were performed, they included normality test, multi-collinearity test, homoscedasticity test, and auto-correlation test.

Figure 4.1

Normality Test Results



Homoscedasticity Test

The residuals of bank organizational performance were tested for heteroscedasticity. Ordinary Least Squares maintains that the error term's variability is not continuous (Homoscedastic). The terms are considered to be not homoscedastic as there is the absence of differing variance. When this presupposition is breached, test results and confidence ranges are skewed (McDonald et al, 2019). The Levene Statistic was employed to evaluate

the uniformity of variance assumption, which states that the error chances are all homoscedastic.

Table 4. 13

Homogeneity Test Results

Levene Statistic	df1	df2	P-value
3.359	20	146	0.000

The Levene Statistic of 4.642 with a significance value of 0.000 is shown in Table 4.15. The study, therefore, failed to refute the hypothesis because the likelihood correlated with the Levene Statistic was 0.000, and was less than the threshold value of 0.05 at a five percent level of significance. As a result, the study inferred that the outcome variable's variation was homogenous.

Likewise, Koenker and Breusch-Pagan test statistics were employed to determine whether or not heteroscedasticity existed. Suppose the significance outcome is less than 0.05, dismiss the hypothesis, and infer that the predictor variable's variability is homoscedastic (McDonald et al., 2019). The Breusch-Pagan test involves a relatively large test that presupposes normal distribution of residuals.

Table 4. 14

Breusch-Pagan and Koenker Test Results

	SS	Df	MS	F	Sig
Model	12.156	3.00	4.2513	1.081	0.000

Residual	426.164	143.001	2.931	-991.000	-999.000

Breusch-Pagan and Koenker test data of 12.756 with a significance value of.000 are shown in Table 4.16. The study, therefore, rejected the H_0 and inferred that the variance of the outcome variable was homoscedastic/homogeneous because the significance value corresponding to the test was 0.000, which was less than the threshold of 0.05.

Multi-collinearity test

Multicollinearity is a scenario in which the correlations between the predictor variables are high. It uses collinearity metrics to raise the std [standard] errors of the coefficients to obtain the tolerances and variance inflation factors. VIF was calculated to check whether multi-collinearity was present. Tolerance is defined as the degree of variation in one of the predictor variables that can be described by another predictor variable. The variance inflation factors (VIF) estimates how substantially variance the coefficient of regression is increased by multi-collinearity, which directly increases the standards of error. Generally, the minimum threshold value for tolerances is 0.10. Since there is no difficulty with tolerance, the value must be so much than 0.100 and much less than Ten (10) (Dahabreh et al., 2020). If no two or more variables are linked, then all VIFs are equal to one. If the VIF for one of the variables is 5, collinearity then exists for that factor (variable). Table 4.16 presents the statistics of the multicollinearity tests.

Table 4. 15

Multicollinearity Test

	Collinearity statistics	
	Tolerance	**VIF**
Organizational structure	0.676	1.480
Technology	0.660	1.515
Regulations	0.959	1.043
Competition	0.876	1.456
Strategic fit	0.786	1.345

Auto-correlation

The association among variables was examined using the Durbin-Watson test, to detect the occurrence of auto-correlation (a relation among values divided by a certain lag time) in the residuals (errors prediction). The Durbin-Watson statistic is usually in the range of zero to four. A score of 2.0 indicates that the sample has no autocorrelation. Positive autocorrelation is shown by numbers near zero, whereas negative autocorrelation is indicated by values nearing four (McDonald et al., 2019).

This implies that the observations must not be correlated in any way. The Durbin-Watson Examine was used to test the outcome variable, and the findings are shown in Table 4.18. Between the two critical ranges of 1.5 and 2.5, the Durbin-Watson d = 2.130.

Table 4. 16

Auto-correlation Test Results

	Test Statistic (DW)	P-value
Organizational structure	2.130	0.001
Technology	2.421	0.001
Regulations of banks	2.333	0.001
Competition	2.654	0.001

4.8 Simple Linear Regression

Regression Analysis Results for Technology on Organizational performance

The regression analysis shows R=0.762; R^2 =0.581. This explained that 57.7% of the change in bank organizational performance was as a result of a change in technology by a unit. The variation of (42.3%) is a result of other variables namely, organizational structure, regulations, and competition. This is shown in Table 4.19.

Table 4. 17

Model Summary for Technology - Organizational performance

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Durbin Watson**
1	0.762[a]	0.581	0.577	2.56945	2.012

a. Predictors: (Constant), Technology

For the study to test the null hypothesis, F-test was performed. The null hypothesis was that there was no association between technology and organizational performance. Table 4.20 indicated that the F-statistic was 0.000 which was less than 0.05 meaning that the null hypothesis was rejected. It was then concluded that technology and organizational

performance were correlated. The results confirmed that technology statistically and significantly predicted the organizational performance of commercial banks in Kenya, F (1, 125) = 173.155, p< .05, R^2 = 0.581.

Table 4. 18

ANOVA (F-Test) Analysis for Technology

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1143.181	1	1143.181	173.155	0.000[b]
	Residual	825.260	125	6.602		
	Total	1968.441	126			

a. Dependent Variable: Organizational performance
b. Predictors: (Constant), Information Technology

Table 4.21 shows that the constant = -3.028 is substantially distinct from 0 because the p-value is equal to 0.000 is much less than the threshold 0.05 and the p-value = 0.000 is even less than the 0.05. With a p-value of 0.000, which is less than 0.05, the coefficient ß is equal to 0.311 is likewise statistically different from zero. This means the null hypothesis ß1 is equal to 0 is rejected, and the alternative hypothesis ß1 = 0 is accepted, suggesting that the equation Y is equal to -3.028 + 0.311 (information technology) + e is substantially fitted. The test above suggests that the model organizational Performance is equal to a + ß (information technology) holds. This demonstrates the existence of a positive linear link between information technology and economic growth.

Table 4. 19

Relationship between Information Technology and Organizational performance

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	-3.028	1.489		-2.033	0.044
	Information Technology	0.311	0.024	0.762	13.159	0.000

a. Dependent Variable: Organizational performance

Regression Analysis Results for Regulations on Organizational performance

The regression analysis indicates a relationship R=0.330 and R squared =0.109. This implies that 10.2% of the change in organizational performance is a result of a change in regulations by a unit. The difference in percentage that was 89.8% was a result of other factors including organizational structure, information technology, and competition. The findings were given in Table 4.22.

Table 4. 20

Model Summary for Regulations - Organizational performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.330[a]	0.109	0.102	3.92339	1.790

For the study to test the null hypothesis, F-test was performed. The null hypothesis was that there was no association between technology and organizational performance. Table 4.23 indicated that the F-statistic was 0.000 which was less than 0.05 implying that the null hypothesis was rejected. It was then concluded that regulations and organizational

performance were correlated. This shows that the variable regulations significantly and statistically predicted the organizational performance of commercial banks in Kenya, F (1, 125) = 15.314, $p < .05$, $R^2 = 0.109$.

Table 4. 21

ANOVA (F-Test) Analysis for Regulations

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	235.731	1	235.731	15.314	0.000[b]
	Residual	1924.127	125	15.393		
	Total	2159.858	126			

For the study to test the supposition, F-test was performed. The supposition was that there existed no association between regulations and organizational performance. Table 4.24 indicated that the F-statistic was 0.000 which was not greater than 0.05 indicating that supposition was rejected. It was then concluded that technology and organizational performance were correlated. The results confirmed that regulations statistically and significantly predicted the organizational performance of the banks under investigation, F (1, 125) = 15.314, $p < .05$, $R^2 = 0.231$.

Table 4. 22

Relationship between Regulations and Organizational performance

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	10.706	2.496		4.290	0.001
	Regulation	0.231	0.059	0.330	3.913	0.001

Regression Analysis Results for Organization Structure on Organizational performance

The regression analysis indicates a relationship R=0.248 and R^2 =0.061. This implies that 5.4% of the change in organizational performance is a result of a change in organizational structure by a unit. The difference in percentage that was 93.9% was as a result of other factors including regulations, information technology, and competition. The results were presented in Table 4.25.

Table 4. 23

Model Summary for Organization Structure versus Organizational Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.248[a]	0.061	0.054	0.95070	1.938

a. Predictors: (Constant), Organization Structure

b. Dependent Variable: Organizational performance

For the study to test the null hypothesis, F-test was performed. The null hypothesis was that there was no association between technology and organizational performance. Table 4.26 indicated that the F-statistic was 0.00 which was far lesser than the 0.050 implying that the null hypothesis was rejected. It was then concluded that the government structure

and organizational performance were correlated. This indicates that the variable regulations statistically and significantly predicted the organizational performance of commercial banks in Kenya, F (1, 125) = 11.326, p< .05, R^2 = 0.083.

Table 4. 24

ANOVA (F-Test) Analysis for Organization Structure

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.383	1	7.383	8.169	0.005[b]
	Residual	112.979	125	.904		
	Total	120.362	126			

a. Dependent Variable: Organizational performance

b. Predictors: (Constant), Organization Structure

This indicates that the variable organization structure statistically and significantly predicted the organizational performance of commercial banks in Kenya, F (1, 126) = 8.169, p< .05, R^2 = 0.109. For the study to test the supposition, F-test was performed. The supposition was that there existed no association between organizational structure and organizational performance. Table 4.27 indicated that the F-statistic was 0.000 which was less than 0.05 indicating that supposition was rejected. It was then concluded that organizational structure and organizational performance were correlated. The results confirmed that regulations statistically and significantly predicted the organizational performance of commercial banks in Kenya, F (1, 126) = 8.169, p< .05, R^2 = 0.231.

Table 4. 25

Relationship between Organization Structure and Organizational performance

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	2.726	0.429		6.348	0.000
	Organization structure	0.287	0.101	0.248	2.858	0.005

Regression Analysis Results for Competition on Organizational performance

The regression analysis shows R=0.391 and R^2 = 0.153. This explained that 14.6% of the change in bank organizational performance is a result of a change in competition by a unit. The percentage difference (variation) (85.4%) is a result of other variables namely, organizational structure, regulations, and information technology. This is shown in Table 4.28.

Table 4. 26

Model Summary for Competition versus Organizational Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.391[a]	0.153	0.146	3.65178	1.790

a. Predictors: (Constant), Competition

b. Dependent Variable: Organizational performance

For the study to test the null hypothesis, F-test was carried out. The null hypothesis was that there was no relationship between technology and organizational performance. Table 4.29 indicated that the F-statistic was 0.000 which was less than 0.05 meaning that the null

hypothesis was rejected. It was then concluded that competition and organizational performance were correlated. The results confirmed that technology statistically and significantly predicted the organizational performance of commercial banks in Kenya, F (1, 125) = 22.609, $p < .05$, $R^2 = 0.153$.

Table 4. 27

ANOVA (F-Test) Analysis for Competition

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	301.506	1	301.506	22.609	0.000[b]
	Residual	1666.935	125	13.335		
	Total	1968.441	126			

a. Dependent Variable: Organizational performance

b. Predictors: (Constant), Competition

Table 4.30 shows that the constant = 4.771 is substantially distinct from 0 because the p-value is equal to 0.000 is much less than the threshold 0.05 and the p-value = 0.000 is even less than the 0.05. With a p-value of 0.000, which is less than 0.05, the coefficient ß is equal to 0.201 is likewise statistically different from zero. This means the null hypothesis ß1 is equal to 0 is refuted, and the alternative hypothesis ß1 = 0 is assumed to be true, suggesting that the equation Y is equal to 4.771 + 0.201 (competition) + e is substantially fitted. The results suggests that the model organizational performance is equal to a + ß competition) holds. This demonstrates the existence of a positive linear relationship between competition and organizational performance.

Table 4. 28

Relationship between Competition and Organizational Performance

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	4.771	2.454		1.944	0.054
	Competition	0.201	0.042	0.391	4.755	0.000

a. Dependent Variable: Organizational performance

4.9 Correlation Analysis

The coefficient of correlation ranges from -1.00 to +1.00, with -1.0 depicting a correlation that is negatively perfect, +1.0 depicts a perfectly positive correlation, and 0.0 indicating the existence of totally no correlation. Table 4.31 indicated the presence of a high correlation which was positive between organizational structure (OS) and organizational performance (r = 0.330). The weakest relationship is between regulations and organizational performance at 0.281. Dahabreh et al. (2020), states that the coefficient of correlation must remain within 0.8 for multicollinearity to be absent. Multi-collinearity was absent according to Table 4.30 the highest coefficient of correlation r = 0.728.

Table 4. 29

Pearson Correlation Matrix for Independent and Dependent Variables

		OS	**COMP**	**REG**	**IT**	**PER**
OS	R	1				
	Sig.value					
COMP	R	0.584**	1			
	Sig.value	0.000				
REG	R	0.707**	0.728**	1		
	Sig.value	0.000	0.000			

IT	R	0.547**	0.611**	0.512**	1	
	Sig.value	0.000	0.000	0.000		
PER	R	0.330**	0.391**	0.281**	0.762**	1
	Sig.value	0.000	0.000	0.001	0.000	

**. Correlation is significant at the 0.001 level (2-tailed).

Keywords: OS = Organizational structure, **COMP** = Competition, **REG** = Regulations, **IT** = Information Technology and **PER** = Organizational performance

4.10 Multiple Linear Regression Model

Multivariate regression was done to establish the association among the research variables. The hypothesis regarding the model took the following form:

H0: ß1= ß2= ß3= ß4=0

H1: at least one of ß1, ß2, ß3, ß4 is not equal to 0.

Regression analysis was employed to examine the effect of contingency factors on organizational performance of commercial banks .

Table 4. 30

Summary on all the four independent variables and organizational Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.979[a]	0.958	0.956	1.27466

a. Predictors: (Constant), Competition, Technology, Regulation, organization structure

The R2 for the relationship between contingency variables [Organization Structure, Technology, Competition, Regulation] and organisational performance is 0.958 based on the statistics in Table 4.32. This signifies that the factors can only account for 95.8 percent

of the variations in organisational performance. Other factors impacting organizational effectiveness can account for the remaining 4.2 percent of variance. The R2 number represents the prediction accuracy of the model. These findings show that contingency considerations have a major impact on organisational performance.

ANOVA for Moderation Effect

In this research, analysis of variance (ANOVA) was employed to determine the model's relevance. If the p-value was less than or close to 0.05, the significance was considered statistically significant. Models one and two each had significance value less than 0.05.

Table 4. 31

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4465.938	4	1116.485	687.174	0.000[b]
	Residual	198.219	122	1.625		
	Total	**4664.157**	**126**			

a. Dependent Variable: organizational performance

b. Predictors: (Constant), Competition, Technology, organization structure and Regulations

The results in Table 4.33 depict the outcome concerning the regression analysis. The results also demonstrate that the regression model was significant in predicting the dependent variable.

The ANOVA table results showed that the F-calculated was 687.174 for model 1. Since the F-critical (4,126) was 3.94 it was deduced that F-critical was less than F-calculated and therefore confirmed a positive statistically significant relationship in explaining the criterion variable. This implied that a shift in the explanatory variables led to a considerable shift in organizational performance. Additionally, the p-value was 0.00 confirmed goodness of fit.

Table 4. 32

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	2.050	0.954		2.148	0.034
	Organization structure	0.181	0.059	0.230	3.050	0.003
	Technology	0.069	0.015	0.110	4.485	0.000
	Regulation	0.147	0.033	0.194	4.455	0.000
	Competition	0.671	0.084	0.631	8.003	0.000

a. Dependent Variable: Organizational performance

The results in Table 4.34 indicate that when all other factors are held constant, the organizational performance of commercial banks will be 2.050. This indicates that a unit increase in the structure of the organization will lead to a 0.181 units increase in bank organizational performance. Also, a unit increase in Technology will lead to a 0.069 units increase in bank organizational performance. Further, a unit increase in regulation will lead to a 0.147 units increase in bank organizational performance. Lastly, a unit increase in competition will lead to a 0.671 units increase in bank organizational performance.

The equation for regression of the contingency factors -organizational performance relationship is shown below:

$$Y = 2.050 + 0.181X_1 - 0.069X_2 + 0.147X_3 + 0.671X_4 + \varepsilon$$

Where: X1 = Organization structure; X2 = Technology; X3 = Regulation; X4 = Competition;

4.11 Regression Model - Moderation Analysis

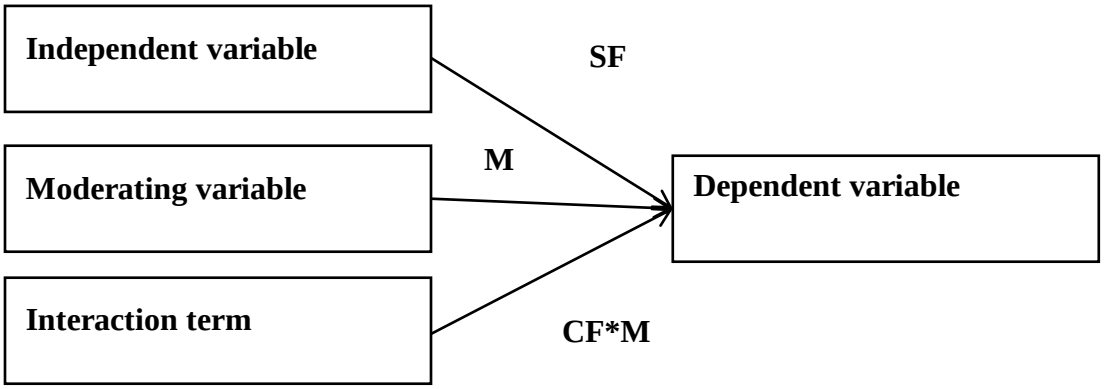
The fifth study objective aimed to ascertain the moderating effect of strategic fit on the contingency factors-organizational performance relationship. As underscored by Kenny and Baron (1986), to establish the effect of the moderating variable, the research employed a hierarchical-regression approach. They postulate that moderation is present when path C (that is the interaction of paths B and A) is not insignificant.

To determine the moderation effect, hierarchical linear regression was carried out. Three steps were followed whereby in the first step by the influence of contingency factors on organizational performance was determined. In the second step how strategic fit influenced organizational performance was also determined. In the last step, the researcher introduced the interaction terms in the equation and the significance evaluated while controlling for the contingency factors and strategic fit. The interaction terms were arrived at as the product of the standardized scores of contingency factors and strategic fit. To establish the moderation effect, the interaction terms effects were supposed not to be insignificant. The significance of the predictor variables and the moderator variable was not relevant in determining moderation **(**Dietrich et al., 2017).

The relationship was depicted in Figure 4.1.

Figure 4. 1

Test of moderation – path diagram for direct and indirect effects



Source: Fairchild and MacKinnon (2009)

Figure 4.2 shows that every arrow in the pathway reflects a causal link between 2 variables whereby the changes statistics have been allocated (R square and F ratio). This demonstrates the amount and direction of the influence of a variable on another. By initially regressing, both indirect and direct causalities were established utilizing hierarchical multiple regression. Contingency Factors (CF) on Organizational performance (P) for the direct causality. The same approach was done with the inclusion of Strategic Fit (SF) where the indirect effect (M) was evaluated.

Regression Results of the Moderation effect

In the first step [Model 1], the research assessed the impact of contingency variables on organisational performance by examining the influence of contingency factors on organisational performance. Step two [Model 2] assessed the influence of contingency

variables on performance by measuring the role of contingency factors on organisational performance after introducing the interaction terms.

Table 4. 33

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.979[a]	0.958	0.956	1.27466
2	0.981[c]	0.962	0.959	1.23509

The R2 for the relationship between contingency factors and organisational performance is 0.9581, according to the statistics in Table 4.35 [Model one]. This means that the factors account for 95.8% of the difference in organisational performance.The 4.2% of the variations can be explained by other factors that influence organizational performance. These implies that the factors played a key role in influencing the organizational performance of commercial banks in Kenya.

The R2 for the association between contingency factors and organisational performance after incorporating the interaction terms is 0.9621 based on the statistics in Table 4.35 [Model Two]. This means that contingent variables and interaction terms accounted for 96.2 percent of the difference in organisational performance. Other factors impacting organisational effectiveness may account for the 3.8 percent difference. These data suggest that interaction terms and the contingency factors have an important role in improving organisational performance; the R2 change was 0.04 (that is R2 in model two minus R2 in model one [0.962 - 0.958]).

ANOVA for Moderation Effect

In this research, analysis of variance (ANOVA) was used to determine the statistical significance of the two models. If the p-value was less than or equal to 0.05, statistically significant was taken into account. The models were significant as they had less than 0.05.

Table 4. 34

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4465.938	4	1116.485	687.174	0.000[b]
	Residual	198.219	122	1.625		
	Total	4664.157	126			
2	Regression	4485.680	9	498.409	326.729	0.000[d]
	Residual	178.477	117	1.525		
	Total	4664.157	126			

Table 4.35 depicted the outcome of the regression models with a p-value of 0.0000 which was way lesser than 0.050. The results also demonstrate that the models were statistically significant in predicting the criterion variable.

Given Table 4.35, F-calculated was 687.174 for model one (1) and 326.729 for model two (2). The F-critical (4,122) was 3.94, the results, therefore, indicate that the F-calculated was greater in comparison with the F-critical; and thus, it was deduced that there was a significant linear association between the predicting the dependent variable. This implied that whenever there was a shift in the explanatory variables, there was a considerable shift in organizational performance as a result. Additionally, the value indicating significance at 5 percent level of significance.

Table 4. 35

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.050	0.954		2.148	0.034
	Organization structure	0.181	0.059	0.230	3.050	0.003
	Technology	-0.069	0.015	-0.110	-4.485	0.000
	Regulation	0.147	0.033	0.194	4.455	0.000
	Competition	0.671	0.084	0.631	8.003	0.000
2	(Constant)	21.436	3.849		5.569	0.000
	Organization structure	0.809	0.108	0.597	7.519	0.000
	Technology	0.379	0.049	0.174	7.803	0.000
	Regulation	0.426	0.105	0.334	4.045	0.000
	Competition	0.064	0.019	0.080	3.315	0.001
	Strategic fit	0.282	0.069	0.359	4.062	0.000
	strategic fit* organization structure	-0.051	0.021	-0.082	-2.426	0.017
	Strategic fit* Technology	0.152	0.033	0.201	4.604	0.000
	Strategic fit* Regulation	0.557	0.093	0.524	5.998	0.000
	Strategic fit* Competition	-0.124	0.047	-0.072	-2.633	0.010

a. Dependent Variable: Organizational performance

Table 4.37 shows that interaction terms had a significant influence (P values greater than 0.05). Contingency variables (Predictors) and strategic fit (Moderator) are significant when interaction terms are included, showing that moderation occured; nonetheless, the main impacts are also substantial. The following equation represents the regression of the

influence of strategic fit on contingency variables and organisational performance relationships:

4.12 Discussions

Information Technology and Organizational Performance

The correlation analysis results indicated that information technology and organizational performance were correlated positively ($r = 0.762$; sig. value ≤ 0.05, the linear regression outcome showed that technology influenced the organizational performance of the banks under investigation ($\beta = 0.312$; sig. value ≤ 0.05). Multiple regression analysis results showed that in a combined setting with variables such as regulations, competition and organizational structure, an increase in technology by one unit led to a 0.069 units increase in organizational performance of the banks.

The results are in line with Vitorino et al. (2018) researched the nexus between technical innovation and competitive positioning among Brazilian companies. The chosen design was descriptive. It was demonstrated that technology and innovation skills increased a company's competitive edge by providing them with learning capability, market capability, and allocation of resources capacity, production capacity, and long-term planning capacity. According to the report, firms should use IT since it is a paramount component for a firm pursuing success in its industrial area of operation. Technologies are an essential aspect for businesses looking to expand.

The findings concur with Auma (2014) who determined wheterh innovations influenced the profit of Kenyan banks and established a significant relationship between innovations

and profitability. This confirmed that the cumulative effect of the innovations were significant in predicting the profitability of the banks. Banks in Kenya have increased their earnings potential and reduced expenses for further than a decade by implementing innovations such as phone banking, online banking, and, most lately, use of agents. Agyapong (2019) studied the impact of computerization on financial services in Nigeria and discovered that electronic banking has considerably improved the services offered by many lenders to their Nigerian customers. Nonetheless, the investigation was confined to Nigeria's Lagos and concentrated on only seven institutions. The research did a comparison of new and old generations institutions and discovered variations in the level of usage of automated systems.

The findings also agree with Kihara (2016) who researched the influence of innovations on Kenyan banks's income and indicated that innovations had a moderate influence on the income. Because technology innovation is being actively and continually embraced in Kenya, the state must continue to give additional incentives for academics to continue spending their time and talents in developing new bank breakthroughs. The researchers suggested that the state pursue a plan to give incentives for the transfer of technology from more and more advanced economies to promote the use of unique inventions More revenue for lenders as a consequence of technology acceptance leads to more employment and a rise in the nation's gdp, therefore contributing to the government's economic targets.

The findings are in tandem with Ahmed (2015) findings who sought to determine if bank innovations impact the profitability of Kenyan commercial banks and determined that the influence of bank lending on revenue was significant statistically. This suggests that the combined impact of the bank technologies investigated in this research is significant

statistically in forecasting bank earnings in Kenya. For even more than a ten years, banks have boosted their earnings potential while decreasing their expenditures by introducing innovations like as phone banking, internet banking, and, more lately, agent banking.

The findings also agree with Aldhamari et al. (2020) who used a sampling of 55 local banks providing internet services in the six mid-western states of the US to investigate the influence of website design elements on local bank efficiency. By employing several regression models, the author used both descriptive and inferential statistics. The findings suggest that institutions with greater ICT accessibility outperform those with lower ICT accessibility. The findings support Afandi (2017) who used data gathered from 1183 local banks in Iowa, Minneapolis, Columbia, South Saskatchewan, and Southern Dakota to investigate the influence of internet banking apps on local bank efficiency in the U. S. For dataset analysis, the researchers used an economic model (Confirmatory Factor Model). According to the research, internet banking assists community banks in increasing their earning capacity.

The results also agreed with Maringa (2017) who investigated the degree to which the other users of the technology-assisted in the increase of overall efficiency in Tunisian manufacturing businesses, and how this has changed depending on the functions performed in various branches. The research examined firm-level panels data from Tunisia's industrial sectors to evaluate whether ICT adoption affects factor usage efficiency, primarily using the random effect technique. The findings showed that the factors in the technical inefficiencies business model served considerably to explaining the technical market inefficiencies.

Regulations and Organizational Performance

The correlation analysis results indicated that regulations and organizational performance were correlated positively ($r = 0.330$; sig. value ≤ 0.05, the linear regression outcome showed that regulations influenced the organizational performance of banks ($\beta = 0.231$; sig. value ≤ 0.05). Multiple regression analysis results showed that in a combined setting with variables such as technology, competition and organizational structure, an increase in regulations by one unit led to a 0.147 units increase in organizational performance of the the banks.

The study is in line with Kihara et al. (2016) who researched the influence of financial regulation on DT-MFIs performance. It attempted to ascertain if the advantages of financial regulation exceeded the costs and whether this would support non-DT-MFIs regulation. The findings showed that the Regulations of 2008 resulted in a rise in the business performance of DT-MFIs. The restrictions increased the value of DTMs' existing loans, net assets, earnings, and investors' equity. Nevertheless, DTMs faced problems such as expensive transformation costs, high operating expenses, license fees, and fierce rivalry mostly from other banking firms.

In support of Kihara et al. (2016) findings, Maringa (2017) investigated the possibility of a link between rules and financial performance. Ratio analysis such as rate of return, return on capital, assets ratio, loan loss provision, liquidity, leverage ratio, core investment to total uncertainty assets ratio, money to purchase to constitute risk-weighted due mainly, and central investment to total bank obligations ratio were used to assess financial performance. This research also looked at capital sufficiency. The survey's focus group comprised 43 Kenyan banks, and it was conducted between 2011 and 2015. 3 years before as well as 3

years after the revised prudential requirements for banks were implemented in 2013. The results showed that most banking institutions were capable of meeting the capital condition, and the goverment should aim to maintain that the specified guidelines are followed to make sure the steadiness of Kenya's banking industry. Kenya's entire economy will be likely to dodge economic collapse as a result of this. The CBK will also be able to recognize troubled banks and implement corrective measures to manage them already when they fail and depositors lose a lot of money. The financial ratios indicated a flourishing and prosperous banking industry.

The findings also agree with Maringa (2017) who investigated the influence of financial laws on the performance of banks. Stratified sampling was adopted to choose 98 participants. The study collected secondary documented data by reading academic articles accessible in the library, as well as different papers, periodicals, and studies, such as publications and journals. The researcher conducted the survey questionnaire, and the data from the participants was evaluated using frequency and description statistics. According to the findings of the research, the rules are geared at accomplishing the country's development goals while maintaining prudential principles and sector stability concerns.

The findings also are in line with Ogada (2021) who explored the duplicity in financial industry regulation and performance. The particular aims were as follows: to evaluate and evaluate legislative redundancy in Kenya's present regulatory regime for the financial sector; to outline how regulation efficacy has been assessed in empirical studies; to analyze if the existing legal framework has influenced the performance of Kenya's finance industry; and, finally, to recommend alternative ways of improving regulatory performance. The study employed a desk study review technique, in which related research literature was

examined to identify major themes and gaps in knowledge. According to the research, the financial industry in Kenya as well as other emerging nations has recorded substantial losses as a result of under-regulation and regulatory deception. Some of them have gone bankrupt or had to be taken over or saved by their governments. The benefits of a single regulatory agency outweigh the disadvantages of many regulators. However, it is better suited to smaller, well-developed, and established markets, such as the United Kingdom. According to the research, Kenya's economy and social arena are not yet mature enough to manage a single financial sector regulator. In this regard, it may be argued that even developed economies including the United States continue to have numerous regulators.

The findings concur with Banya and Biekpe (2017) who investigated the link between regulation and the bank's performance. The research embraced a descriptive research design to examine the pre-stated relationships. Ten banks constituted the target population. The results indicated that regulation did not significantly predict the dependent variable (performance). The Rwandan government needs to formulate policies that will ensure a conducive atmosphere and that ensure stability in financial institutions.

Also, the study findings agree with Ahmed (2015) who investigated the impact of CBK prudential rules on Kenyan bank performance. A cross-sectional design was adopted. Standardized questions improved measurement by imposing standard criteria on respondents and ensuring that the same data was obtained from cohorts and then derived compared. The research indicated that numerous factors influenced banks' performance during the previous five years, both favorably and adversely. Those impacting performance favorably included: limitations on trade and assurances, constraints on loans for property acquisition, and limitations on the bank account, whereas those impacting performance

negatively included: constraints on advancements, loans, and assurances, limitations on control of a bank's share capital, mortgaging, and going into debt.

The findings also agree with Auma (2014) who investigated the impact of the CBK Prudential Regulations of 2006, on the business performance of Kenyan Banks. This was a comparison assessment. The results indicated that CBK regulatory rules had a significant beneficial effect on the banks. The adjusted R - square number for the immediate aftermath of the implementation of CBK prudential requirements in 2006 was shown to be higher than that for the period before the rules, indicating that the restrictions had a significant impact on performance (Financially). The research suggested that the CBK strengthen its prudential controls on Kenyan commercial banks since it was discovered that CBK prudential regulations improve the financial efficiency of Kenyan banks. A comprehensive and integrated strong regulatory strategy, on the other hand, is proposed to increase regulation without limiting competitiveness, invention, or access to finance.

The findings agree with Auma (2014) who researched the influence of SASRA rules on Sacco's business performance and provide answers to the queries, what is the influence of the rules on Kenyan SACCO performance. According to the outcome, greater capital adequacy and a rise in managerial efficiency influenced SACCO's profit favorably in the post-capital regulatory era. The research reveals that capital restriction has an impact on SACCO performance. Maringa (2017) researched the financial regulations' influence on the performance of DTMs. A descriptive research design and cross-sectional method were embraced. Six DTMs made up the study population. The findings showed that supportive Regulations of 2008 resulted in enhanced DTMs' financial performance. The regulations

increased the values of outstanding loans, overall assets, shareholders' equity, and profits of DTMs. Regulations were established to positively influence the performance.

Organization structure and organizational performance

The correlation analysis results indicated that organizational structure and organizational performance were correlated positively ($r = 0.762$; sig. value ≤ 0.05, the linear regression outcome indicated that structure affected the organizational performance of the banks under investigation ($\beta = 0.312$; sig. value ≤ 0.05). Multiple regression analysis results showed that in a combined setting with variables such as regulations, competition, and technology, a unit change in technology by one unit led to a 0.069 units variation in organizational performance of the banks.

The results are in line with Levina et al. (2017) findings after investigating the association between corporate culture and organizational performance. Results confirmed that a strong company culture may improve economic organizational performance that economic strength leads to a healthy organizational structure, that culture and productivity dictate each other, and that the link connecting performance and heritage strength is bogus.

The results are also in line with Kim and Shin (2019) who used regression analysis to evaluate the impact of different organizational structure features on the financial survival of 176 financially challenged Caribbean companies from 1988 to 1996. Their research established that companies that replace their CEO with an external director will be more than thrice as likely to fail. Higher levels of insider control are connected with a higher chance of company longevity. A complicated organization necessitates more

interdepartmental collaboration laterally either between divisions vertically. The higher the complexity of an organization, the greater the requirement for communicating effectively, cooperation, and decision-making.

The study findings concurred with Wu et al. (2012) on the association between structure and organizational performance, particularly, the research looked at innovation and organizational learning. The results confirmed the significance of positioning infrastructure-wise of organization-related structure on firm performance. Firstly, the organizational structure was found to be having fewer effects on innovation than on organisational learning, the organisational learning effect on performance through innovation was indirect, except for the direct effect of organization-related structure on performance. Secondly, in Austria the managers had in mind that structure had a more significant impact on performance; both technical and managerial innovation determined organizational performance, however, in China, it was established that managerial innovation was not significant.

The findings are also in tandem with Dekoulou and Trivellas (2017) who sought to explore the effect that structure dimensions had on innovation performance and the implications therein on customers' association-related value, the monetary related performance in the business to business market in the advertising and media sector. It was found that training programs improved firms' ability in innovativeness. Performance on the basis of innovation in the advertising business to business market promoted the clients related value and performance. The performance was also found to be constructively influenced by profit relations with customer-related relationship-value.

The findings are also in line with Claver-Cortés et al. (2012) who analyzed the attributes of the firm structure related to integrated competitive strategies. The research also looked at the intervening influence of the competitive strategy in the link between performance and structure. The results suggested that the integrated competitive strategy positively affected performance. Likewise, the complexity of the organization and the presence of formalization had a positive effect on the hybrid and competitive-related tactic, while centralization had an adverse influence. The structure of the organization had an indirect, effect on performance through a hybrid-competitive strategy.

The findings are also in tendem with Muriithi and Waweru (2017) who studied the organizational structure and financial performance of public companies, using the New KCC as an example, and found that an improved structure will enhance financial performance. Organizational structure practices include the nomination and direction of the board composition, the group's mission and principles, the power balance on the company, internal communications, and the evaluation of the board's competence and duties.

Competition and Organizational Performance

The correlation analysis results indicated that competition and organizational performance were correlated positively ($r = 0.391$; sig. value ≤ 0.05, the linear regression outcomes showed that competition determined the organizational performance of the banks under investigation ($\beta = 0.201$; sig. value ≤ 0.05). Multiple regression analysis results showed that in a combined setting with variables such as regulations, technology and organizational structure, an increase in competition by one unit led to a 0.671 units increase in Kenyan banking institutions' organisational performance.

The findings are in line with Ghasemi et al. (2016) who investigated the impact of market competitiveness and accounting management system (AMS) features on the performance of the management. The findings showed that there are direct links between competitiveness and AMS, as well as between AMS and management performance. The study also established that AMS mediates the connection between competitiveness and management success. The findings are in tandem with Ahmed and Afza (2019) who investigated the impact of competition intensity in modulating the existing link between financial structure and business performance. According to the findings, a high debt ratio is detrimental to the accountancy efficiency of the picked sample businesses in Pakistan. Furthermore, products marketplace rivalry moderated the link between financial structure and company performance, implying that quality products marketplace rivalry can be utilized as a replacement for bank loans to balance the interests of a company's shareholders and managers.

Lastly, the study findings agree with Ahmed (2019) who examined the theory of economics that competition in the market must therefore improve company performance context of corporation tax management in the United States. According to the study, businesses in competitive sectors were much more effective in tax management. The research particularly shows that businesses in competitive markets have lower tax rates than there, especially non-equivalents. Moreover, the research discovers that the favorable relationship between competitiveness and tax organizational efficiency is significantly larger for businesses with smaller volatility and fewer sector development possibilities. This relationship was reduced by the absence of sufficient reporting uniformity.

Contingency Factors, Strategic Fit, and Organizational Performance

The current study confirmed that strategic fit affected significantly the contingency factors - organizational performance relationship. The findings are in tandem with Chen et al.'s (2018) findings from a study on the Prospective mergers and acquisitions among banks in China must be strategically aligned. The findings confirmed that bank size, origin, and type presented an effect on every bank degrees of technological effectiveness. The study showed that that strategic fit significantly influenced the contingency factors and organizational performance relationship.

4.13 Theoretical Contribution

The study constructed an analytical structure to support research directions work in the field of research on the influence of strategic contingency factors on organizational performance of commercial banks in Kenya. The research effectively tested the hypothesis connected to the initial conceptual model formulated in Chapter 2. Based on research results, it was observed that prospective theoretical architectures should be based on all the four strategic contingency factors and ignore the moderating effect of strategic fit. The research also rendered a reference to the organization and optimization of strategic contingency factors concerned.

The study noted that both competition and organization structure is the most strategic contingency factors in the banking sector because they explain a higher change in organizational performance.

The findings of the study can be linked to the contingency theory. The theory indicates that the volume of ambiguity and the pace of environmental changes affect the creation of operational characteristics within organizations. Some of the features considered under the study were Information technology, organizational structure, competition, and regulations. According to the notion, the only possibility for an organisation to thrive in the environment is for its attributes to match the environment. The idea emphasizes how the static condition of fit between organisational structure and competitiveness, as well as contingency, leads to excellent organisational performance. According to the research outcomes, organisational aspects that are dependent as a results of the high uncertainty operating environment, such as technology and structure, can fit in the unpredictable setting and favorably affect commercial banks.

This demonstrated that the four criteria are the most strategic contingency aspects that demand consideration in the Kenyan setting in terms of Kenyan commercial banks. The research 's outcomes can indeed be related to Contingency Theory of "Fit". The theory proposed that resources would allow a firm to change its mix of resources and further preserve the longevity of the competitiveness, which could instead be easily diminished. The theory indicates that resources foster a firm's organizational performance positively. Conversely, contingency factors affect the firm's resource pool which in effect is the foundation of the company's competitive edge thus augmenting for high firm organizational performance. The study successfully tested this theoretical relationship by establishing that contingency factors influence organizational performance. This implies that, in the Kenyan setting of the banking sector, competition is a key factor that influences the commercial bank's organizational performance.

Contribution to Literature

The research intended to communicate a meaningful observation on the association between contingency factors and bank organizational performance in the existing literature moderated by strategic fit. The study adds to the existing literature concerning contingency factors by examining how various factors improve performance. In the current study model, the study considered organizational performance outcomes in consideration to the constructs based on balance scorecard as per based on organizations objectives, strategic plans, and background organizational performance. The study proposes that contingency factors influence organizational performance through strategic fit which is associated with organizational performance in an uncertain global business environment. To the

researcher’s knowledge in this study, no previous research has appraised contingency factors' influence on organizational performance moderated by strategic fit constructs.

Contribution to knowledge

This research has contributed to four key areas of knowledge, currently, business organizations including commercial banks work in turbulent business environments due to globalization, changes in technology, and changes in environmental regulations.

CHAPTER FIVE

5.0 SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter highlights the results summary, suggestions, and major research ramifications. The research has quantitatively explored the association involving contingency factors and organizational performance. The overview is centered on primary evidence obtained from Kenyan commercial banks, research goals and hypotheses, as well as conceptual and empirical literature The section highlights findings, key study implications, and further studies suggestions.

5.2 Summary of the Findings

Organizational Structure and Organizational performance

The study outcome suggest that the factor analysis was carried out to attempt to minimize organizational structure constructs to a feasible and reasonable scale, whereby three constructs OS13, SO14, and SO15 were omitted as they had loadings less than 0.4, all the others had threshold values of 0.4 or above 0.4 were therefore deemed relevant for further quantitative tests. Descriptive statistics were also used to assess this study objective and further analysis was carried out. The outcome showed a composite mean of 3.9, which indicated that most of the participants strongly agreed with statements related to organizational structure at their respective organizations. The correlation analysis results indicated that the organizational structure and organizational performance were positively associated ($r = .330$; P-value < 0.05). After performing linear regression, the study found that 5.4 percent was a good fit for the organizational structure ($R=0.248$; adj. R squared

=0.054). This implied that 5.4% of the change in organizational performance could've been justified by a variation in the organizational structure.

Technology and Organizational performance

The results suggest that the factor analysis was carried out to attempt to minimize organizational structure constructs to a feasible and reasonable scale, whereby (TEC19), had a factor loading of 0.397, all the others had threshold values of 0.4 or above 0.4 were therefore deemed relevant for further quantitative tests. Descriptive statistics were also used to assess this study objective and further analysis was carried out. The results indicated a weighted mean of 3.5, which points to that most of the participants strongly agreed with statements related to information technology at their respective organizations. The correlation analysis results indicated that information technology and organizational performance were positively associated ($r = 0.762$; P-value < 0.05). After performing linear regression, the study found that 5.4 percent was a good fit for the organizational structure ($R=0.762$ and adj. $R^2 =0.577$). This implied that 57.7 percent of the difference in organizational performance is therefore justified by a variation in the information technology variable.

Regulations and Organizational performance

The results suggest that the factor analysis was carried out to attempt to minimize regulations constructs to a feasible and reasonable scale, whereby all the others had threshold values of 0.4 and therefore deemed relevant for further quantitative tests. Descriptive statistics were also used to assess this study objective and further analysis was carried out. The results indicated a weighted mean of 3.78, which indicated that most of

the participants strongly agreed with statements related to regulation at their respective organizations. The correlation analysis outcome showed that regulations and organizational performance were positively associated (r = .330; P-value < 0.05). After performing linear regression, the study found that 5.4 percent was a good fit for the organizational structure (R=0.330 and adj. R^2 =0.102). This implied that 10.2 percent of the deviation in organizational performance could've been justified by a variation in regulations.

Competition and Organizational performance

The results suggest that the factor analysis was carried out to attempt to minimize regulations constructs to a feasible and reasonable scale, whereby all the others had threshold values of 0.4 and therefore deemed relevant for further quantitative tests. Descriptive statistics were also used to assess this study objective and further analysis was carried out. The outcome indicated a composite mean of 3.94, which indicated that most of the participants strongly agreed with statements related to competition at their respective organizations. The correlation analysis outcome showed that competition and organizational performance were positively associated (r = .391; P-value < 0.05). After performing linear regression, the study found that 5.4 percent was a good fit for the competition (R=0.391; adj. R squared =0.146). This implied that 14.6 percent of the deviation in organizational performance could've been justified by a variation in competition.

Strategic Fit, Contingency Factors, and Organizational performance

The findings showed that the R2 for the correlation between contingency factors [Regulation, Technology, Competition, and Organizational Structure] and organisational performance and when the interaction terms wee incoporated was 0.961. This means that contingency factors and interaction terms can only describe 96.1 percent of the organizational performance variations. The other 3.8 percent of deviation can be due to some other variable not considered in the current study. The consequence of these results is that contingency factors and interaction terms contribute significantly to improving organizational performance; R2 difference was 0.04 that is [0.961 – 0.957].

Contingency Factors and Organizational performance

The outcome of the regression analysis showed that the R squared for the link involving contingency factors [Legislation, Technology, Competition, and Organizational Structure] and organizational performance was 0.958. This suggested that contingency factors described 95.8 percent of the organizational performance variations. The 4.2 percent difference can be due to other variables not considered in the current study. The square value of R is a vital inpointed out that contingency factors significantly play a role in improving organizational performance. The findings further showed that, while all other variables remain constant, the organizational performance of commercial banks would be 2.050. This shows that an increase in the organizational structure of the unit would contribute to an improvement in bank organizational performance by 0.181 units. The unit rise in technology would also cause an increase in bank organizational performance by 0,069 units. In addition, a unit improvement in regulation would contribute to an

improvement in bank organizational performance by 0.147 units. Finally, an improvement in unit competitiveness would contribute to an improvement in bank organizational performance by 1,671 units.

5.3 Conclusion

The study intended to fill the existing methodological, contextual and conceptual gaps, the study concludes that organizational structure and organizational performance were positively correlated. It is further concluded that that 5.4% of the change in the Kenyan commercial banks' organizational performance is as a result of a change in organization structure by a single unit.

The study concludes that information technology and organizational performance were positively correlated. It is further concluded that 57.7% of the change in the Kenyan commercial banks' organizational performance is as an outcome of a change in information technology by a single unit.

The study concludes that regulation and organizational performance of banks were positively correlated. It is further concluded that 10.2% of the change in the Kenyan commercial banks' organizational performance is a result of a change in regulation by a single unit.

Also, the study concludes that regulation and Kenyan commercial banks were positively correlated. It is further concluded that 10.2% of the change in the Kenyan commercial banks' organizational performance is as a result of a change in competition by a single unit.

The study also concludes that strategic fit moderated how contingency factors affected performance and lastly, the research concludes that contingency factors [Competition, Technology, Regulation, organization structure] explained 95.8 % of the variation in Kenyan commercial banks.

5.4 Recommendations

The research suggestion is in tandem with the goals, results, and conclusions drawn from the study.

Managerial Implications

The research suggests that banks' management should improve their institutional structure strategies that must be placed in Kenya as they contribute to increased organizational performance. The bank's understudy must maintain that they have a comprehensive organizational structure, a higher level of control, a hierarchical structure, and a divisional structure within the group. The research also indicates that contemporary scholars and scholars can try to evaluate the association between organizational structure and success employing different sub-constructs besides organizational structure, the scope of operation, departmentalization, and centralization.

It is recommended that firms need to have an improved information technology system as it leads to high organizational performance. Banks must have a defined Information and technology policy, a significantly higher level of IT hardware and software incorporation, and workers' IT abilities should be sharpened on a regular basis through development. The research also suggests that prospective researchers and scholars can try to measure the association between IT architecture and organizational performance employing different

sub-constructs, except IT hardware and software acceptance and also IT regulation. This will add academic rigor and provide forums for organizational performance comparison.

Policy Implications

Regulation is a central pillar of banking institutions' activities in Kenya and, by default, a pillar of economic growth and prosperity. Thus the Kenyan Government must establish legislation and regulatory system favorable to the membership of financial firms. It is proposed that financial institutions must not be extremely restricted, as this could contribute to knowledge imbalance and, as a result, to under-performance by the institution. In Kenya, each year the banking sector contributes a decent proportion of the nation's overall expenditure, weak supervision can result in a reduction in the contributions given by the banking system.

The research strongly recommends that the size of the institution, the formalization of the structure, the sophistication of the structure, and the centralization of the structure must be regarded to be quite significant when the bank's management establishes its organizational structure that will accomplish its strategic goals by having an impact on organizational performance of the banks. Board members must also be recognized that, in particular, non-executive directors ought to be well selected because they are actively engaged in influencing the action plans that influence the success of the banks. The composition and size of the boards must also be regarded as affecting the organizational structure that influences the organizational performance of the bank.

5.5 Suggestions for Further Research

Future researches may be carried out to examine the impact of strategic contingency factors on the Kenyan commercial banks. Research may be performed to investigate other variables that determine the performance of the Kenyan commercial banks, without focusing on the varibles that this study investigated. The findings demonstrate that the strategic contingency factors account for 95.8% of variations in the Kenyan commercial banks. This means that the other 4.2% of the variation in commercial banks' organizational performance is described by other factors not addressed in this study, there is a need for study seeking to examine the other variables not captured in the current study.

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APPENDICES

Appendix 1: Introduction Letter

….

Kenya Methodist University

Nairobi.

Dear Sir/Madam,

RE: Academic Research Project

I am currently pursuing a Ph.D. at Kenya Methodist Unversity. One of the requirements for the award of the degree is to write a thesis in my area of study. The title of my research is contingency factors, strategic fit, and organizational performance of commercial banks in Kenya. The information given will only be used for academic research purposes.

Thank you in advance for your time and cooperation.

Yours Sincerely,

Geoffrey Gagai (Ph.D. Student)

Appendix 2: Questionnaire

This questionnaire is devised to gather information on Contingency factors, strategic fit, and organizational performance of commercial banks in Kenya.

Your genuine responses are kindly requested.

Thank you for your cooperation and support in realizing this research project.

General Direction:

• Please fill out and return the questionnaire properly

• Any confidential data obtained from you will only be used in aggregated form in any report or presentation concerning the survey and all data will be treated as highly confidential

SECTION A: DEMOGRAPHIC INFORMATION

1. Age

21-25	[ ]
26-30	[ ]
30-35	[ ]
36-40	[ ]
40-50	[ ]
Over 50 years	

2. Level of formal education

Diploma	[ ]
Undergraduate	[ ]
Masters	[ ]
PhD	[ ]

3. Work experience?

Years	
Less than 3 years	[ ]
3 - 5 years	[ ]
6 - 10 years	[ ]

More than 10 years	[ ]

SECTION B: CONTINGENCY FACTORS

Part A: Organizational Structure (OS)

4. Please use the point scale below to indicate your level of agreement by ticking each one of the given statements. Use the following ratings and tick or cross where appropriate 1- Strongly disagree 2 – Disagree 3 – Neutral 4 – Agree 5 - Strongly agree.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

	Opinion	**1**	**2**	**3**	**4**	**5**
	Structure Formulation					
OS1	Sections/departments' formal meetings/briefings are conducted regularly.					
OS2	There are formal guidelines on how to deal with every operational activity/situation and the guidelines are available to staff.					
OS3	Written formal communications through established channels must be used on every engagement to be undertaken by the corporation.					
OS4	Every position in this corporation has a written job description.					
OS5	There is a formal orientation program for new members of staff.					
OS6	The policies and procedures manual is readily available to all staff.					
	Structure Complexity					
OS7	There are few levels of hierarchy before a decision is made.					

OS8	For every corporation mandate, there is an established department/division to deal with it.					
OS9	There is more than one income-generating activity/more than one mandate.					
OS10	Department/divisional decisions are approved by the head of the department/division.					
	Structure Centralization					
OS11	Sub-ordinate staff participates in decision-making on matters relating to the day-to-day operations of the corporation.					
OS12	All investment decisions must be approved by the board of directors before being undertaken by the corporation.					
OS13	All operation activities to be undertaken by the corporation are approved by the Chief Executive officer.					
OS14	Staff is asked to give their input on the adoption of new policies and procedures.					
OS15	No or little action can be taken by staff on any matter without supervisor permission.					

Part B: Information Technology (IT)

5. Please use the point scale below to indicate the level of importance by ticking each one of the given statements.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

	Opinion	**1**	**2**	**3**	**4**	**5**
	Customer Independent Technology					
IT1	The ATMs are at convenient places.					
IT2	The ATMs are user-friendly.					
IT3	Bank clients find ATMS easy to use.					
IT4	The ATMs have helped ease congestion in banking halls.					

IT5	Credit cards are user-friendly.					
IT6	Bank clients find credit cards easy to use.					
IT7	Credit cards are convenient to use and carry around.					
IT8	Customers do not fear internet banking due to the fear of hacking their accounts by web hackers.					
IT9	Customers are provided with encrypted passwords to protect their information and transactions.					
IT10	Internet service is operated in a restricted and controlled environment to safeguard customer information.					
IT11	Our bank always ensures the security of data and information that is operated on the internet banking platform.					
	Customer Assisted Technology					
IT12	Customers call the customer care centers for assistance.					
IT13	Customer service officers use a customer relationship management system to understand customers' profiles and provide instant responses.					
IT14	Banks have set customer care section for all customer assistance					
	Customer transparent technology					
IT15	The system user friendly					
IT16	The system easy to use					
IT17	The system added a competitive advantage to the bank					
IT18	The system has reduced operating costs for the banks					
IT19	The system has helped ease congestion in the banking halls					

Part C: Competition

6. Please use the point scale below to indicate your level of agreement by ticking each one of the methods in the given statements.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

	Opinion	**1**	**2**	**3**	**4**	**5**
COMP1	The emerging banking market is monopolistically competitive.					
COMP2	The competition in banking sector increases bank efficiency.					
COMP3	The level of competition of Kenyan banks is an indicator of the whole banking system strength.					
COMP4	Because of the competition in the market the banks selected via a cut-throat competition are the ones that use their capital more efficiently.					
COMP5	Because of the competition banks are quicker to adapt to market innovations and have more flexible.					
COMP6	Because of the competition banks are strategically balanced policy, better qualified management and efficient information systems.					
COMP7	Competition for the consumer of banking services has led to expansion of services.					
COMP8	Competition for the consumer of banking services has led to exclusion from the market low quality products.					
COMP9	The consequence of competition is the reduction of prices for banking services.					
COMP10	More competition leads to a larger amount of loans provided.					
COMP11	More competition lead to an increase in market power increasing bank's incentives to determine the borrower's					

	creditworthiness, thus leading to higher quality of applicant pool.					

Part D: Regulation (REG)

1. Please use the point scale below to indicate your level of agreement by ticking each one of the methods in the given statements.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

	Nature of the regulatory environment	**1**	**2**	**3**	**4**	**5**
REG1	The bank has numerous regulatory responsibilities compared to other local banks.					
REG2	There are products offered by other local banks which this bank cannot offer because of the country's regulations or restrictions.					
	Enforcement of governing regulations					
REG3	The regulatory environment is a standing agenda item in senior management and board meetings at the bank.					
REG4	The regulatory function is independent of the business of the bank.					
REG5	Accountability for compliance with regulations runs throughout the bank.					
REG6	The head of compliance/ or the equivalent routinely and regularly provides compliance updates for prudential guidelines.					
REG7	The bank has split responsibilities for the ownership of prudential compliance.					
REG8	There is a system of monitoring prudential compliance with laws and prudential guidelines.					

	Compliance with Regulatory Framework					
REG9	The banks ensure consistency with prudential guidelines.					
REG10	The bank ensures completeness with prudential guidelines.					
REG11	There is adequate communication of the key elements of the regulatory environment to the staff.					

Part E: Strategic Fit (SF)

2. Please use the point scale below to indicate your level of agreement by ticking each one of the methods in the given statements.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

		1	**2**	**3**	**4**	**5**
SF1	The bank operates in a rapidly changing environment which they must adapt to for their growth and development.					
SF2	The relationship between the strategic fit and an organized environment is a key element in the successful implementation of the bank strategy and subsequently positive performance.					
SF3	The bank's strategic fit which is the degree of correlation between its strategy and its environment has major performance repercussions.					
SF4	Strategic fit brings about the bank's superior performance.					
SF5	The bank needs to comprehend the external environment in terms of the challenges, opportunities, and threats present so that it can come up with strategies that will capitalize on the					

	opportunities and circumvent threats making the organization successful in the bank business.					
SF6	Instability in the environment is caused by a change in factors such as; technology, competition, globalization, economic, political, social, or organizational strategies of the company hence the importance of an organization having a strategic fit with its environment.					
SF7	Since the bank performance depends on the fit between the firms and their external environments; changes of external environments require a firm to acclimatize to them through a change in its response strategy.					

Section C: Measures of Bank performance

1. What is your level of agreement with the following statements related to strategic orientation and the financial performance criteria mentioned? Use a scale of 1 to 5, where; 1= strongly disagree; 2 = disagree; 3 = neutral; 4 = agree and 5 = strongly agree.

Financial Performance Criteria	1	2	3	4	5
Over the last five years, the bank has been reporting increased profits					

2. What is your level of agreement with the following statements related to evaluation and control practices and the mentioned non-financial performance criteria? Use a scale of 1 to 5, where; 1= strongly disagree; 2 = disagree; 3 = neutral; 4 = agree and 5 = strongly agree.

Non-financial Performance Criteria	**1**	**2**	**3**	**4**	**5**
As a result of contingency factors:					

Most of our customers have expressed great satisfaction with our services					
We have retained most of our customers and that customer loyalty in the bank has been increasing					
The employees in the bank are very loyal and express satisfaction in their work					
There is efficiency and effectiveness in service delivery in the bank					
Generally, our return on assets has increased					

Appendix 3: Factor loadings Tables

Table 4. 36: KMO and Bartlett's Test Results

Variable	KMO and Bartlett's Test		
Organizational Performance	KMO Measure of Sampling Adequacy.		0.901
	Bartlett's Test of sphericity	Approx. Chi-Square	1040.324
		Degree of freedom	66
		P-value	0.000
Information Technology	KMO Measure of Sampling Adequacy.		0.686
	Bartlett's Test of Sphericity	Approx. Chi-Square	816.107
		Degree of freedom	171
		P-value	0.000
Regulations	KMO Measure of sampling Adequacy.		0.766
	Bartlett's Test of Sphericity	Approx. Chi-Square	363.706
		Degree of freedom	55
		p-value	0.000
Organization Structure	KMO Sampling Adequacy.		0.786
	Bartlett's Test of Sphericity	Approx. Chi-Square	605.052
		degree of freedom	91
		P-value	0.000
Competition	KMO measure of sampling adequacy		0.771
	Bartlett's Test of Sphericity	Approx. Chi-Square	675.461
		degree of freedom	105
		P-value	0.000

Thresholds of the Dependent Variable Organizational Performance

	Organizational performance indicators	Factor loadings
1.	My bank has a high market share which is an indicator of significant-good performance.	.592
2.	The development of strong strategic alliances with other organizations in our industry is a major factor that drives performance in my bank	.621
3.	Growing shareholders' returns is an indicator of good performance in my bank	.671
4.	The bank disburses salaries, payments, dividends, and other dues regularly and timely.	.820
5.	Rapid diversification is a strong indicator of good performance in my bank	.837
6.	The bank has registered growth in the area the products are supplied	.555
7.	The bank has registered growth in profits	.808
8.	The bank has registered higher ratings in customer surveys	.508
9.	The bank has registered growth of repeat sales	.796
10.	The bank has registered growth of existing customers	.685
11.	The bank has registered growth in market share	.554
12.	The bank has registered an increase in the quality of products	.758

Thresholds of the Dependent Variable Technology

	Technology indicators	Factor loadings
IT1	**Automatic vending machines are located in easily accessible locations.**	0.594
IT2	**The Automatic vending machines are easy to use.**	0.558
IT3	Automatic vending machines are convenient for bank customers	0.534
	Automatic vending machines have aided in the reduction of queues in banking rooms.	0.711
IT4	**Credit cards are simple to use.**	0.525
IT5	**Credit cards are simple to utilize for bank customers.**	0.742
IT6	**Credit cards are easy to utilize and take with you.**	0.617
IT7	**Clients do not dread online banking since they are concerned about web hackers gaining access to their accounts.**	0.546
IT8	**To secure personal data and dealings, customers are given secure data.**	0.506
IT9	**To protect client information, the Internet service is run in a restricted and regulated environment.**	0.547
IT10	**Our bank takes every precaution to ensure the safety of data and information transmitted via the online banking network.**	0.489
IT11	**Clients seek support from customer service centers.**	0.649
IT12	**Client support representatives utilize a client relationship management platform to learn about clients' profiles and respond quickly.**	0.615
IT13	**For all client support, banks have set up a customer care division.**	0.414
IT14	**The technology is simple to use.**	0.525
IT15	**The technology is simple to use.**	0.51
IT16	**The technology provided the bank with a competitive edge.**	0.431
IT17	**The banks' operating expenses have been lowered as a result of the technology.**	0.509
IT18	The system has reduced operating costs for the banks	0.397

Thresholds of the Dependent Variable Regulations

	Regulations indicators	**Factor loadings**
REG1	In comparison to other banks in Kenya, the institution has a lot of regulatory obligations.	0.449
REG2	Some banks provide goods that this bank is unable to provide due to national rules or constraints.	0.641
REG3	The legal context is a regular topic of discussion at the bank's senior management and board meetings.	0.664
REG4	The lender's legal role is separate from its operations.	0.441
REG5	Adherence to rules is held to a high standard across the bank.	0.596
REG6	The director of conformance similarly delivers conformity reports for prudential guidelines regularly.	0.573
REG7	The lender's responsibility for regulatory adherence is shared between two people.	0.527
REG8	There is a mechanism in place to ensure that laws and prudential standards are followed.	0.624
REG9	Banks guarantee that prudential requirements are followed.	0.601
REG10	The bank follows prudential standards to the letter.	0.588
REG11	The essential aspects of the regulatory environment are adequately communicated to the workforce.	0.64

Thresholds of the independent Variable Organization Structure

	Organization Structure indicators	**Factor loadings**
OS1	Sections/departments' formal meetings/briefings are conducted regularly.	0.776

OS2	There are formal guidelines on how to deal with every operational activity/situation and the guidelines are available to staff.	0.763
OS3	Written formal communications through established channels must be used on every engagement to be undertaken by the corporation.	0.761
OS4	Every position in this corporation has a written job description.	0.761
OS5	There is a formal orientation program for new members of staff.	0.74
OS6	The policies and procedures manual is readily available to all staff.	0.729
OS7	There are few levels of hierarchy before a decision is made.	0.571
OS8	For every corporation mandate, there is an established department/division to deal with it.	0.510
OS9	There is more than one income-generating activity/more than one mandate.	0.448
OS10	Department/divisional decisions are approved by the head of the department/division.	0.441
OS11	Sub-ordinate staff participates in decision-making on matters relating to the day-to-day operations of the corporation.	0.440
OS12	All investment decisions must be approved by the board of directors before being undertaken by the corporation.	0.408
OS13	All operation activities to be undertaken by the corporation are approved by the Chief Executive officer.	0.355
OS14	Staff is asked to give their input on the adoption of new policies and procedures.	0.283
OS15	No or little action can be taken by staff on any matter without supervisor permission.	0.199

Thresholds of the independent Variable Competition

	Competition indicators	**Factor loadings**
Comp1	The growing bank market is authoritarian.	.739
Comp2	Bank efficiency improves as a result of competitiveness in the banking sector.	.803

Comp3	The degree of competition among Kenyan banks is a measure of the overall strength of the banking sector.	.705
Comp4	Due to market rivalry, the banks chosen through a cutthroat competition spend their money more efficiently.	.802
Comp5	Due to competition, institutions are more adaptable to market developments and have greater flexibility.	.841
Comp6	Banks have competitively balanced policies, better-qualified administration, and effective data management as a result of competition.	.780
Comp7	Competition for financial service consumers has resulted in service growth.	.767
Comp8	Competition for financial service consumers has resulted in the elimination of low-quality goods from the industry.	.843
Comp9	Financial services rates have been reduced as a result of competition.	.717
Comp10	Increased competitiveness leads to a greater number of loans being made available.	.744
Comp11	More rivalry leads to a rise in market power, which increases banks' incentives to evaluate the trustworthiness of borrowers, resulting in a higher-quality application pool.	.605

Appendix 4: Study Results

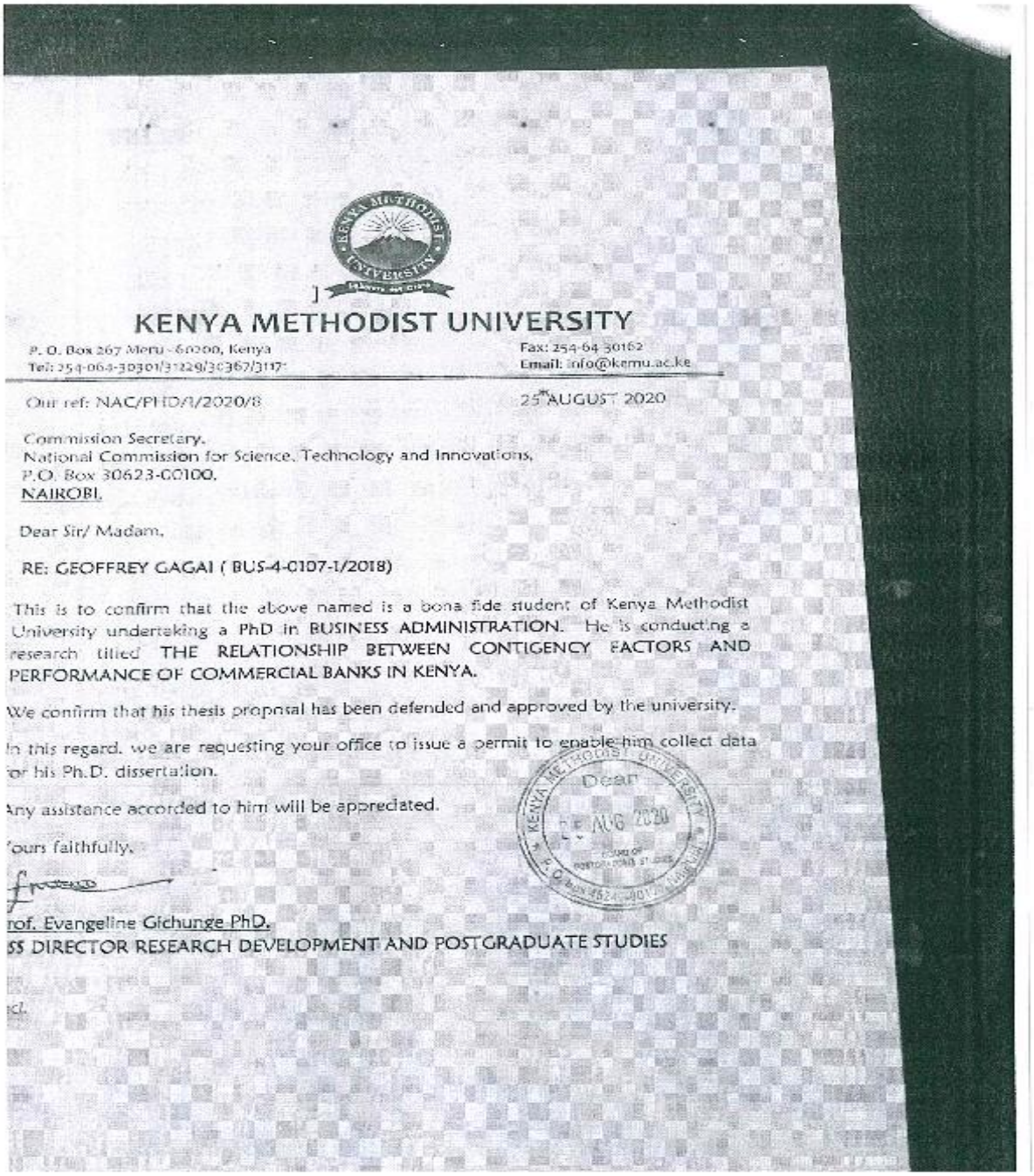
	Objective	Hypotheses	Rule	P-value	Comment
1	- To establish the effect of organizational structure on organizational performance of commercial banks in Kenya.	- Organizational structure has no significant effect on the organizational performance of commercial banks in Kenya.	- Reject the null hypothesis if P-value is less than 0.05	0.000	- Reject Null hypothesis
3	- To assess the effect of information technology on organizational performance of commercial banks in Kenya.	- Information technology has no significant effect on the organizational performance of commercial banks in Kenya.	- Reject the null hypothesis if P-value is less than 0.05	0.000	- Reject Null hypothesis
4	- To determine the effect of competition on organizational performance of commercial banks in Kenya.	- Competition has no significant effect on the organizational performance of commercial banks in Kenya.	- Reject the null hypothesis if P-value is less than 0.05	0.000	- Reject Null hypothesis
5	- To examine the effect of regulation on organizational performance of commercial banks in Kenya.	- The regulatory environment has no significant influence on the organizational performance of commercial banks in Kenya.	- Reject the null hypothesis if the P-value is less than 0.05	0.000	- Reject Null hypothesis
6	- To establish the moderating effect of strategic fit on the relationship between contingency factors and organizational performance of commercial banks in Kenya.	- Strategic fit has no significant effect on the relationship between contingency factors and organizational performance of commercial banks in Kenya	- Reject the null hypothesis if the P-value is less than 0.05	0.000	- Reject Null hypothesis

Appendix 5: List of Commercial Banks

1. ABC Bank (Kenya)
2. Absa Bank Kenya
3. Access Bank Kenyahttps://en.wikipedia.org/wiki/List_of_banks_in_Kenya - cite_note-6
4. Bank of Africa
5. Bank of Baroda https://en.wikipedia.org/wiki/List_of_banks_in_Kenya - cite_note-8
6. Bank of India
7. Citibank https://en.wikipedia.org/wiki/List_of_banks_in_Kenya - cite_note-13
8. Consolidated Bank of Kenya
9. Cooperative Bank of Kenya
10. Credit Bank
11. Development Bank of Kenya
12. Diamond Trust Bank https://en.wikipedia.org/wiki/List_of_banks_in_Kenya - cite_note-18
13. Dubai Islamic Bank https://en.wikipedia.org/wiki/List_of_banks_in_Kenya - cite_note-19
14. Ecobank Kenya
15. Equity Bank Kenya
16. Family Bank https://en.wikipedia.org/wiki/List_of_banks_in_Kenya - cite_note-20
17. First Community Bank
18. Guaranty Trust Bank Kenya https://en.wikipedia.org/wiki/List_of_banks_in_Kenya - cite_note-21
19. Guardian Bank
20. Gulf African Bank
21. Habib Bank AG Zurich
22. Housing Finance Company of Kenya https://en.wikipedia.org/wiki/List_of_banks_in_Kenya - cite_note-22
23. I&M Bank https://en.wikipedia.org/wiki/List_of_banks_in_Kenya - cite_note-23
24. Imperial Bank Kenya (In receivership) https://en.wikipedia.org/wiki/List_of_banks_in_Kenya - cite_note-24

25. Kingdom Bank Limited
26. Kenya Commercial Bank
27. Mayfair Bank
28. Middle East Bank Kenya
29. M Oriental Bank
30. National Bank of Kenya
31. NCBA Bank Kenya https://en.wikipedia.org/wiki/List_of_banks_in_Kenya - cite_note-27
32. Paramount Universal Bank
33. Prime Bank (Kenya)
34. SBM Bank Kenya https://en.wikipedia.org/wiki/List_of_banks_in_Kenya - cite_note-28
35. Sidian Bank https://en.wikipedia.org/wiki/List_of_banks_in_Kenya - cite_note-29
36. Stanbic Holdings Plc
37. Standard Chartered Kenya
38. United Bank for Africa]
39. Victoria Commercial Bank

Appendix 6: Kemu Research Authorization Letter



KENYA METHODIST UNIVERSITY

P. O. Box 267 Meru - 60200, Kenya
Tel: 254-064-30301/31229/30367/31177

Fax: 254-64 30162
Email: info@kemu.ac.ke

Our ref: NAC/PHD/1/2020/8

25TH AUGUST 2020

Commission Secretary,
National Commission for Science, Technology and Innovations,
P.O. Box 30623-00100,
NAIROBI.

Dear Sir/ Madam,

RE: GEOFFREY GAGAI (BUS-4-0107-1/2018)

This is to confirm that the above named is a bona fide student of Kenya Methodist University undertaking a PhD in BUSINESS ADMINISTRATION. He is conducting a research titled THE RELATIONSHIP BETWEEN CONTIGENCY FACTORS AND PERFORMANCE OF COMMERCIAL BANKS IN KENYA.

We confirm that his thesis proposal has been defended and approved by the university.

In this regard, we are requesting your office to issue a permit to enable him collect data for his Ph.D. dissertation.

Any assistance accorded to him will be appreciated.

Yours faithfully,

Prof. Evangeline Gichunge PhD.
DIRECTOR RESEARCH DEVELOPMENT AND POSTGRADUATE STUDIES

Encl.

Appendix 7: Research Permit

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **761587**

Date of Issue: **06/November/2020**

RESEARCH LICENSE

This is to Certify that Mr.. Geoffrey Kegode Gagai of Kenya Methodist University, has been licensed to conduct research in Kakamega, Kisumu, Machakos, Mombasa, Nairobi, Nakuru, Vihiga on the topic: THE RELATIONSHIP BETWEEN CONTINGENCY FACTORS AND PERFORMANCE OF COMMERCIAL BANKS IN KENYA for the period ending : 06/November/2021.

License No: **BAHAMAS ABS/P/20/7493**

761587

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

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cdenairobi@gmail.com

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NAIROBI REGION
NYAYO HOUSE
P.O. Box 74629 – 00200
NAIROBI

Ref: RDE/NRB/RESEARCH/1/65 Vol.1 **DATE: 3rd December, 2020**

Geoffrey Kegode Gagai
Kenya Methodist University
NAIROBI.

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 the topic: *"The Relationship between Contingency Factors and Performance of Commercial Banks in Kenya."*

This office has no objection and authority is hereby granted for a period, ending **6th November, 2021** as indicated in the request letter.

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

REGIONAL DIRECTOR OF EDUCATION
03 DEC 2020
MINISTRY OF EDUCATION
P. O. Box 74629, NAIROBI

HESBON NYAGAKA
FOR: REGIONAL DIRECTOR OF EDUCATION
NAIROBI.

Copy to: Director General/CEO
National Commission for Science, Technology and Innovation
NAIROBI.