ASSESSMENT OF THE FACTORS INFLUENCING STRATEGIC PLANNING IN COMMERCIAL BANKS OF KENYA

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DECLARATION

This research thesis is my original work and has not been presented for a degree or any other award in any other University.

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Recommendation

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DEDICATION

I dedicated this thesis to my husband Felix Ngui and my sons: Ryan Mutunga, Raylan Mutunga, and Ranell Mutunga, who gave me spiritual, moral, and material support and endured my lengthy detachment from their activities during studies.

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ABSTRACT

Strategic planning is a process for creating a shared vision of the future and developing a plan to achieve it. It is a tool for organizations to use to make better decisions, allocate resources more efficiently, and improve performance. In Kenya, over 60% of local banking institutions lack automated strategic planning systems, which hinders effective formulation and implementation of banks' growth and development strategies. Only fewer than ten commercial banks (25%) have effectively executed strategic planning processes. The study sought to assessment of the factors influencing strategic planning in Commercial Banks of Kenya. Specifically, the study aimed to achieve the following specific research objectives; to determine the effect of resources on strategic planning in commercial Banks of Kenya; to determine the influence of top management attention on strategic planning in commercial Banks of Kenya; to evaluate the influence of the business life cycle on strategic planning in commercial Banks of Kenya and to assess the effects of environment turbulence on strategic planning in commercial Banks of Kenya. The study was guided by four theories includes; Resource-based view theory, Business Cycle Model, Industrial Organization Theory and Resource Dependency Theory. This study conducted a census of 42 Commercial managers to collect data from a total of 126 target respondents. The data was analyzed using SPSS version 24.0 and Excel, and descriptive statistics were used to provide summaries of the data. Frequencies and percentages were also reported. The determinants affecting strategic planning in Kenyan Commercial Banks were identified using multivariate regression. From the analysis, the study revealed a strong significant positive relationship between resources and strategic planning in commercial Banks of Kenya ($r = 0.645$, $p < 0.000$). The study also showed that there was a strong significant positive relationship between top management attention and strategic planning in commercial Banks of Kenya ($r = 0.742$, $p < 0.000$). The study further showed that there was a strong significant positive relationship between business life cycle and strategic planning in commercial Banks of Kenya ($r = 0.767$, $p < 0.001$). Lastly, the study showed that there was a strong significant positive relationship between environment turbulence and significant on strategic planning in commercial Banks of Kenya ($r = 0.617$, $p < 0.00$). Therefore, the study hypothesis which states that resources, top management attention, business life cycle and environmental turbulence has significant influence on significant on strategic planning in commercial Banks of Kenya was accepted. The study therefore concluded that resources, top management attention, business life cycle and environmental turbulence played a significant role on strategic planning in commercial Banks of Kenya This is because there existed a positive and significant relationship between the independent and strategic planning in commercial Banks of Kenya. The study therefore recommended that banks need to utilize the financial resources in a resourceful manner. Banks should also increase their human resource base to ensure enough human resources to do the necessary tasks.

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CBK: Central Bank of Kenya

DTM: Deposit-Taking Microfinance Institutions

ESP: Strategic Planning

ICT: Information and Communications Technology

PWC: Price Waterhouse Coopers

SP: Strategic Planning

SPMSs: Strategic Performance Measurement Systems

UK: United Kingdom

USA: United States of America

CHAPTER ONE

INTRODUCTION

1.0 Background of the Research

Strategic planning in the banking sector is the process of analyzing the internal and external environment of the bank, setting goals and objectives, and creating a plan to achieve them. This process typically involves a SWOT analysis, which assesses the Strengths, Weaknesses, Opportunities, and Threats to the bank. After the SWOT analysis is complete, a strategic plan is developed that outlines the steps to be taken to achieve the desired objectives. This plan is then implemented and monitored to ensure that the bank is on track to reach its goals (Cole, 2019).

The banking sector has benefited immensely from strategic planning. By having a clear strategy in place, banks have been able to focus on key areas of growth and expansion, whilst also ensuring that they are able to weather any potential storms that may come their way. This has been crucial in recent years, as the banking sector has come under immense pressure from both a regulatory and economic standpoint (Grant, 2018).

According to Grant (2018), one of the key benefits of strategic planning for banks has been the ability to identify and capitalize on new growth opportunities. This has been especially important in recent years as the banking sector has undergone a period of significant change and upheaval. By having a clear strategy in place, banks have been able to adapt quickly to new market conditions and identify areas where they can expand their businesses. Another key benefit of strategic planning for banks is the ability to manage risk more effectively (Hussaini, 2019). By having a clear understanding of their risks and how to mitigate them, banks have been able to protect themselves from potential losses and maintain a strong position in the market. This has been especially important in recent years, as the banking sector has come under increased scrutiny from regulators and investors (Aziz & Rahman, 2019).

According to Mintzberg (2017), strategic planning has been a hugely beneficial tool for the banking sector. It has helped banks to identify and capitalize on new growth opportunities, whilst also managing risks more effectively. This has been crucial in recent years, as the banking sector has come under immense pressure from both a regulatory and economic standpoint. The process of strategic planning enables businesses to set objectives, recognize and evaluate possibilities, then develop and carry out plans to attain those objectives. For banks, it might be advantageous because it enables them to evaluate their current status and create a clear vision for the future. Strategic planning can also assist banks in assessing growth prospects, developing plans, and putting those plans into action (Nixon, 2019).

1.1 Global perspective

Strategic planning, according to Bryson (2018), is a process that aids businesses in setting goals, identifying and allocating resources, and creating action plans to attain those goals. In the banking sector, strategic planning can help banks set goals for growth and profitability, identify opportunities and threats, and allocate resources to capitalize on opportunities and mitigate risks. Strategic planning can also help banks develop contingency plans for economic downturns or other unforeseen events (Bienhaus & Haddud, 2018).

Banking firms are ensuring proper strategic planning by creating long-term plans that spell out their goals and objectives, and by allocating the resources necessary to achieve those goals (Saberifar, 2020). They are also making sure that their plans are aligned with the overall strategy of the organization, and that they are constantly monitoring and adjusting their plans in response to changes in the marketplace. Banking firms are ensuring proper strategic planning by conducting regular reviews of their business plans, setting goals and objectives, and monitoring their progress. They are also investing in new technologies and products to stay ahead of the competition (Papke-Shields & Boyer-Wright, 2017).

Proper strategic planning in the banking sector requires an understanding of the external environment in which the bank operates (Al Mamun & Hasan, 2017). This includes understanding the macroeconomic environment, the regulatory environment, and the competitive environment. A sound strategic planning process should also take into account the internal environment of the bank. This includes understanding the bank's strengths and weaknesses, its core competencies, and its risk profile (Lee, 2021).

According to Hussaini (2019) an effective strategic plan must be aligned with the bank's overall business strategy. The strategic plan should support the bank's business strategy and help the bank achieve its objectives. The strategic plan should be flexible and adaptable to changes in the external environment. The plan should be reviewed regularly and updated as needed to reflect changes in the external environment. Implementation of the strategic plan is critical to its success. The plan should be communicated to all levels of the bank and should be supported by adequate resources. Proper monitoring and evaluation of the strategic plan is essential to ensure that it is achieving its objectives. The plan should be reviewed regularly and revised as necessary to ensure that it remains relevant and effective (Grant, 2018).

The three essential elements of strategic planning are formulation (that involves establishing setting key goals, analyzing both the external and internal environments, a mission, as well as assessing and choosing strategy alternatives), implementation, and control (Gibbons & O'Connor, 2016). As the banks grow and in the turbulent business environment, the importance of strategic planning rises, as does the necessity for all employees to be on the same page on the company's goals and objectives. Financial institutions that take a methodical approach to strategy planning on a regular basis are better positioned to adapt to the ever-shifting nature of the market. In order to sell to a wide variety of consumer groups, businesses must cater to a wide variety of wants and needs (John & Lee, 2012). According to Morciano et al. (2020), improved strategic planning would lead to efficiency, quality, and transparency within an organization.

Strategic planning becomes increasingly important as a business expands and the business environment becomes more complex. Everyone in the company needs to know where the company is going and what its objective is. Businesses that use a systematic approach to strategic planning on a regular basis are better equipped to adapt as the changes in the market. Varied market sectors have different requirements for their goods and services (John & Lee, 2017).

For the purposes of this study, strategic planning is a subset of strategic management that is crucial in coordinating the research's aims, priorities, and tactics. According to Subbiah et al. (2020) strategic plans are the vehicles via which the strategy can be disseminated and put into action. A number of authors have advocated for the use of strategic planning by businesses as a means of confronting environmental concerns and gaining a competitive edge that can be maintained over the long term (Ofori & Atiogbe, 2012). It has been laid out and concurred that the three parts of vital arranging are the detailing, execution, and assessment of procedure, so whether key preparation and key administration mean exactly the same thing as (Fidler, 2016) or key arranging is a part of key administration, these three components have been laid out and settled upon (Tarifi, 2021).

Every firm's bedrock is strategic planning; hence without the strategic planning, the firm will have no idea where it is heading or if it will actually succeed (Davis, 2018). Recognizing that for a business organization to thrive, everybody should work together to achieve the player's objectives is a key notion in strategic planning (Tarifi,2021). Strategic planning, for example, in the universities is a structured procedure created to aid a university in identifying and maintaining optimal route with the important aspect, the learning Centre's atmosphere. The technological, social, economic as well as political, and educational ecosystems, both within and outside the institution, makes up this environment (Gall et al., 2017).

In the United States of America, there are a number of factors that influenced proper strategic planning in the banking sector (Bryson, 2018). For instance, the political environment in America has a significant impact on strategic planning in the banking sector. For example, if the government adopts policies that are unfavorable to the banking sector, this negatively impacted the sector and made it difficult for banks to achieve their strategic goals (George et al., 2019). The economic environment is another important factor that influenced strategic planning in the banking sector. For instance, when the economy was in a recession, this led to a decrease in demand for banking services and a decrease in profits for most banks the USA. The banking sector in the United Kingdom is highly competitive, with a large number of both domestic and foreign banks operating in the market (D'Cruz, 2018). The UK banking sector is also highly regulated, with a number of rules and regulations governing how banks operate. The economic environment is also a key factor influencing strategic planning in the banking sector in the UK. In recent years, the UK economy has been through a period of uncertainty, with a number of challenges including the Brexit vote and the global financial crisis. In Canada and UK, over 76% of banking institutions have effective execution of strategic planning processes. Only less than 50% of banking institutions have effectively integrated strategic planning processes (Teo, 2018).

Regional perspective

Regionally, for instance in Ghana, Donkor et al. (2018), study revealed that there are a number of factors that has influenced the strategic planning process in the banking sector in Ghana, including the overall economic environment, the regulatory environment, the competitive landscape, and the bank's own internal capabilities and resources. In addition, given the global nature of the banking industry, developments in other markets have an impact on strategic planning process for Ghanaian banks (Bondzi–Simpson & Agomor, 2021). The current economic conditions in Nigeria have a significant impact on the banking sector. Because of poor economic growth in Nigeria this has led to a decrease in demand for banking services and a decrease in profits (Tubosun, 2019). The level of technology in the Nigerian banking sector has also influenced the performance of strategic planning.

Local perspective

Locally, in their research on the relationship between strategic planning and bank performance in Kenya, Omondi et al. (2017) discovered that effective strategic planning methods include creating a purpose and vision statement, analyzing the current environment, and settling on a course of action. The banking sector in Kenya is undergoing a period of unprecedented change, largely driven by technology. This has resulted in increased competition, as well as new entrants to the market (Abass et al., 2017). In order to remain competitive, banks have invested in innovative technology solutions that enable them to offer improved services to their customers. The banking sector in Kenya is also highly regulated by the Central Bank of Kenya (CBK). The

CBK has put in place a number of regulations aimed at ensuring the stability of the banking sector. These regulations can have a significant impact on banks' strategic planning (Muriithi *et al.,* 2018). The economic environment in which banks operate can have a significant impact on their strategic planning. In recent years, Kenya's economy has been growing at a strong pace, which has been a major driver of growth in the banking sector. However, the Kenyan economy is susceptible to external shocks, such as the recent global economic downturn, which can have a negative impact on banks' performance. The social environment in which banks operate can also impact their strategic planning. For example, the increasing use of mobile banking services in Kenya is driven by the large number of mobile phone users in the country. This is reflective of the changing social trends in Kenya, which banks must be aware of in order to remain relevant to their customers (Dzombo et al., 2017).

1.2.1 Concept of Strategy

Nickols (2016) defines strategy as "an effort or planned action taken by a corporation to surpass rivals." As demonstrated by this phrase, a strategy can as well be considered as an intended decision or a calculated move on the part of the firm. An organization ‘s course of action for governing a business and performing operations, as per De Andreis, (2019) is termed as strategy. Any one of these definitions is based on the planning school or strategy perspective, and so ignores the effects of foreign conditions. Bryson (2017) defines strategy as "beyond what a corporation wants or plans to do." In either terms, effective techniques can emerge organically within businesses. Nevertheless, since the effect of environmental forces on firms necessitates strategic activities, corporations may be found to be succumbing to external forces. According to Machoka (2019), strategy comprises a company's utilization of internal resources and capabilities, and the growth of the company's strengths to deal with environmental issues.

1.2.2 Strategic planning Process

Corporate strategic planning, as outlined by Bryson (2018), entails the following steps: identifying the firm's strategic business units and their interactions in terms of shared resources and shared goals; defining the firm's vision in terms of its product, market, and geographic scope; and outlining the path to competitive leadership. In the second step, which focuses on the company's strategic stance and planning guidelines, the company's vision is translated into actionable, specific recommendations for how the company should go about creating strategic proposals for its businesses and its most important divisions and departments. In the third stage, the company's goals are articulated in terms of its offerings, target audiences, geographic reach, and distinctive selling points. In the fourth stage, you'll develop your company's overall strategy and major action plans. Phase five entails the creation of broad action plans and functional strategies. Step six is a corporate-level integration of business and functional plans. Steps seven and eight include the company in the definition and evaluation of action programs at the business and functional levels, respectively. Allocating resources and defining performance metrics for management control constitutes step nine. Steps ten through twelve entail strategic operational budgeting; this planning leads to the creation of an intelligent budget that is more than just an extrapolation of historical data into the future; rather, it is a binding document that includes both long-term goals and short-term objectives (John, & Lee, 2017).

Authors provide a variety of arguments for why strategic planning is important for businesses. Numerous studies have demonstrated the monetary and nonmonetary gains that result from adopting a strategic planning mindset when making choices. Formalized strategic planning does result in higher performance by firms, according to studies conducted by Shahabi et al. (2020). Their research shows that businesses who implement a strategic planning system see an increase in productivity and faster progress toward their goals. Bryson, (2018) argued that strategic planning, regardless of profitability, has various behavioral impacts that can be predicted to boost the welfare of the organization. He claims that success, failure, or mere survivals are all outcomes of a company's strategic planning. All of a company's departments can take their cues from the strategic strategy. However, Bryson (2018) argues that successful firms are successful for numerous reasons outside strategic planning, including sufficient resources, high-quality products/services, etc. While strategic planning is not a solution to a firm's problems its method is a valuable instrument. It's worth hinges on the executives and their ability to use this technology (Hussaini, 2019).

1.2.3 Determinants of Successful Strategic Planning

Several factors determine the success of any strategic planning. Some of these factors (also referred to as determinants) are resources, top management cognition (specifically, attention), business life cycle, and environmental stability.

Resources. The formulation of the strategic plan requires resources in terms of money, time, and people. If these resources are inadequate, the execution of the strategic planning will be negatively affected.

Top management cognition. Drawing from the upper echelon theory, an organization's behavior reflects the entire management team's perspectives (TMT). In this regard, the TMT's views regarding the market and the organization will influence how and whether the strategic planning is successfully executed. According to Walsh (2019), a manager's job involves absorbing, processing, and disseminating information to make decisions and solve problems. In this regard, managerial cognition means information processing while engaged in managerial activities-decision making and problem-solving.

Therefore, the way managers process information and make decisions determines how the SP is conducted. Managerial cognition comprises four sub-constructs: attention, identity, focus, and interpretation. In this study, administrative attention was used to represent management cognition.

Business life-cycle. Depending on whether an organization is at the start-up, growth, maturity, or decline stage, organizations will have varying emphases when preparing their strategic plans. This means that they may emphasize certain aspects of strategic planning (SP) than others. For example, the focus was on innovation at maturity, while it was turned around if an organization is faced with decline (Matejun & Mikoláš, 2017).

Environment stability. A good strategy is consistent with the organization's environment – both internal and external. In other words, it should lead to a fit between the organization and its environment. However, since the background is a state of continuous flux, turbulence and unpredictability have important strategic planning implications. Specifically, there is always a danger that environmental factors such as the current Covid-19 pandemic have on the strategic plan formulated (Shah et al., 2020).

1.2.4 Banking Industry in Kenya

The banking industry in Kenya has been playing a critical role in the country's economic development since independence. This sector has undergone significant changes over the past few decades, with the number of banks increasing from two in 1966 to 43 in 2020. The banking industry in Kenya is one of the most advanced in Africa, and contributes significantly to the country's GDP. The banking industry in Kenya is highly regulated by the Central Bank of Kenya (CBK). The CBK is responsible for setting monetary policy, issuing currency, supervising banks, and ensuring the smooth functioning of the banking system. The CBK is also responsible for regulating the banking sector to ensure that it is stable and efficient (CBK Annual Report, [CBK],2017).

The banking industry in Kenya consists of commercial banks, microfinance institutions, and other non-bank financial institutions. Commercial banks dominate the banking sector, with the largest four banks accounting for over 70% of total banking assets. These four banks are Equity Bank, KCB Bank, Co-operative Bank, and Standard Chartered Bank.

The banking sector in Kenya has experienced significant growth in recent years, fueled by a favorable regulatory environment, enhanced competition, and improved access to financial services. This has enabled the banking sector to play an important role in driving the country's economic development, with the sector contributing around 5.5% to the country's GDP in 2019. The banking industry in Kenya is also highly competitive, with many banks offering innovative products and services to meet the changing needs of customers. The banking sector has also seen the emergence of digital banking, with several banks offering mobile banking services. This has enabled customers to access banking services from the comfort of their homes, without having to visit a physical branch (CBK Annual Report, [CBK],2017). The banking industry in Kenya is highly competitive and banks must be able to differentiate themselves from the competition in order to gain market share and achieve profitability. A comprehensive strategic planning process can help banks identify their competitive advantage and focus resources and efforts on achieving their desired objectives.

1.3 Problem Statement

Successful enactment of strategic planning processes remains a significant challenge in many banking institutions worldwide (Elbanna, & Fadol, 2016). In Kenya, over 60% of local banking institutions lack automated strategic planning systems, which hinders effective formulation and implementation of banks' growth and development strategies (Waweru & Kalani, 2019). Only fewer than ten commercial banks (25%) have effectively executed strategic planning processes (Nyanaro & Bett, 2018). A decline in over 25% of sales revenue has been witnessed in banking institutions that lack effective strategic planning processes. Muriuki (2019) revealed that over 25% of commercial banks of Kenya failed to realize the aimed performance goals due to weaknesses in effective strategic planning processes.

Despite the significant role of strategic planning, past studies by Nyanaro and Bett. (2018) explored different aspects of the strategic planning process but did not focus on commercial banks of Kenya. According to research conducted by Okeyo and Nyaera, (2019) despite Telkom Kenya Ltd's adjustments to its environment, financial restrictions and a lack of administrative empowerment significantly hampered the firm's ability to respond. According to Ngaira, (2018) investigation of Kenya Commercial Bank's strategy responses to a shifting competitive marketplace, the bank reorganized, marketed to its target audience, embraced new information and communication technologies, and instituted a new corporate culture. Factors affecting strategic planning in Commercial Banks of Kenya have received little attention in the literature on strategic planning methods. Therefore, this study aims to provide insights on factors influencing strategic planning in Commercial Banks of Kenya.

1.4 Objectives of the study

The study sought to achieve the following objectives:

1.4.1 General objective

The study sought to determine factors influencing strategic planning in Commercial Banks of Kenya.

1.4.2 Specific Objectives

The specific objectives of the research include:

i. To determine the influence of resources on strategic planning in the commercial Banks of Kenya.
ii. To examine the influence of top management attention on strategic planning in the commercial Banks of Kenya.
iii. To evaluate the influence of the business life cycle on strategic planning in the commercial Banks of Kenya.
iv. To assess the influence of environment turbulence on strategic planning in the commercial Banks of Kenya.

1.5 Research Hypotheses

The research hypothesis that guided this research were:

i. **H_{O1}:** Resources has no significant effect of resources on strategic planning in commercial Banks of Kenya.
ii. **H_{O2}:** Top management attention has no significant effects on strategic planning in commercial Banks of Kenya.
iii. **H_{O3}:** Business life cycle has no significant effects on strategic planning in commercial Banks of Kenya.
iv. **H_{O4}:** Environment turbulence has no significant effects on strategic planning in commercial Banks of Kenya.

1.6 Significance of the study

This research is beneficial to scholars and researchers. It adds to the existing knowledge in banking and acts as a springboard for further study in the same area and other related financial sectors. The research findings will refer to other financial companies in developing countries since failed strategic planning is prevalent in developing countries.

For example, policymakers of the Central Bank of Kenya will use the findings as references in formulating and implementing policies to achieve growth. The banking sector will borrow from the findings to develop structures and procedures to help the industry grow and contribute to the Gross Domestic Product and the citizen's well-being. Further, the findings will help policymakers in the banking industry, especially with regards to Vision 2030; the findings will give insights on how to support the development of the banking sector, which will enhance a saving culture for development which directly increases the country's GDP.

1.7 Limitations of the study

The organization's confidentiality policy restricts most respondents from answering some of the questions since it is considered against the organizations' confidentiality policy to expose their confidential matters. The researcher reassured that permission was always sought from the management before embarking on the study. The researcher also presented an introduction letter obtained from the Kenya Methodist University to the banks' management indicating that the survey is for academic purposes and guaranteeing that institutional and respondent confidentiality and privacy was maintained.

1.8 Scope of the study

This study is confined to the influence of resources, top management attention, business lifestyle, and environmental turbulence on strategic planning in the commercial banks of Kenya. The study was done in all 42 commercial banks of Kenya with headquarters in Nairobi County. The study respondents were three managers from all 42 Commercial Banks of Kenya making a total of 126 target respondents. These managers were selected because the researcher believes that they were conversant with strategic planning in the commercial banks of Kenya. The study was conducted within a duration of three months, that is May, June and July, 2018.

1.9 Assumptions of the study

The study assumed that questionnaires would be an effective tool for collecting valid and reliable data, which could be generalized to the broader population; that the respondents would answer honestly and accurately; and that the sample size would be adequate to represent the target population.

1.10 Operational Definitions of Terms

Strategy: Aziz and Rahman, (2019) defines strategy as "an effort or planned action taken by a corporation to surpass rivals." As demonstrated by this phrase, a strategy can as well be considered as an intended decision or a calculated move on the part of the firm.

Management: It is implementing planning, organizing, directing, leading, and controlling within an organization.

Environmental turbulence: Environmental turbulence is the unpredictable and dynamic external forces that affect the operation and performance of businesses. These forces can include economic, technological, regulatory, competitive, political, and social changes, among others. Environmental turbulence can greatly disrupt a business, requiring managers to adapt and respond quickly in order to remain competitive (Pasha & Poister, 2017)

Strategic planning: It is the process of planning for the effective allocation of a company's limited resources and the appropriate use of those resources in order to fulfill the company's vision and its long-term goals (Tarifi, 2021).

Resource: The available materials in the environment that are technically available, economically possible, and culturally viable and assist people fulfill their needs and wishes (Hunitie, 2018).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This research seeks to establish the factors hindering strategic planning success in the banking industry. This chapter covers the conceptual framework, which unveils the variables to be investigated in the research. Besides, theoretical framework and empirical review on past studies about the topic is also to be discussed. The chapter concludes by looking into the existing gaps in several studies on the literature review topic.

2.2 Theoretical framework

Like a theory, but not necessarily well-developed or complete, a theoretical framework is a set of interconnected notions. Theoretical frameworks offer a specific lens through which to examine phenomena. It defines what is to be studied and what is not to be studied. It also provides a focus for research and a set of concepts with which to analyze and interpret data (Porter, 2018). There are several benefits of using a theoretical framework in research. First, it can provide a structure for organizing your research. Second, it can help you to focus your research question. Third, it can help you to develop hypotheses or research questions. Finally, it can provide a framework for analyzing your data. The study was supported by the theories as discussed below;

2.2.1 The stakeholder theory

This theory was created by Freeman and Reed in 1983. The theory of stakeholder management supports top management's attention on strategic planning. This theory proposes that organizations have to consider the interests of all stakeholders when making decisions in order to generate long-term value (Jones, et al, 2017). According to the theory of stakeholder management, when making decisions concerning strategy, organizations should take into account the interests of all stakeholders. This means that businesses should consider the requirements of its clients, staff members, shareholders, vendors, and other parties with an interest in the organization's success or failure. By doing so, organizations can create a more holistic view of their business and make better decisions about how to achieve their goals (Freeman, 2016).

The instrumental method and the normative approach are the two primary philosophies of stakeholder management. In order to accomplish their own goals, companies should take into account the interests of stakeholders, according to the instrumental approach. On the other hand, the normative approach proposes that companies should consider stakeholders' interests because it is the moral thing to do (Jones & Wicks, 2018).

The instrumental approach is more common in the business world, as it is generally seen as more practical. This approach is based on the idea that organizations should only consider the interests of stakeholders if it is in the organization's best interest to do so. For example, an organization might consider the interests of employees when making decisions about layoffs, as it is in the organization's best interest to keep employees happy and productive (Freeman, et al.,2020).

The normative approach is less common in the business world, but it is gaining some traction. This approach is based on the idea that organizations should consider the interests of stakeholders even if it is not in the organization's best interest to do so. This is because the normative approach suggests that it is morally wrong to ignore the interests of groups that have a stake in the organization's success or failure (Beck & Storopoli, 2021). The stakeholder management theory is a relatively new theory, but it has already had a significant impact on the way that organizations operate. This theory has led to a greater focus on the needs of all stakeholders, not just shareholders. It has also led to a greater focus on the importance of communication and consultation with stakeholders (Freeman, 2016). This theory supports study on the influence of resources on strategic planning in the commercial Banks of Kenya.

2.2.2 Resource-Based View Theory

The resource-based view (RBV), a managerial model articulated by Jay Barney in 1991, is used to identify the strategic resources a company might use to gain a long-term competitive advantage. According to the resource-based perspective of senior management's focus on strategic planning in the banking industry, businesses with more resources and skills are better able to carry out their plans (Barney & Mackey, 2016). This view emphasizes the importance of top management's attention and commitment to the strategic planning process in order to ensure its success. Furthermore, the resource-based view suggests that organizations with greater resources and capabilities are more likely to be successful in the implementation of their strategic plans (Bromiley & Rau, 2016).

The theory of planned behavior supports the influence of top management attention on strategic planning (Yang et al., 2018). This theory suggests that people's intentions to engage in a behavior are influenced by their attitudes toward the behavior, their perceptions of whether they can successfully engage in the behavior, and their normative beliefs about whether engaging in the behavior is the right thing to do. This theory therefore supports the objectives effects of top management attention on strategic planning in the commercial Banks of Kenya.

2.2.3 The business life cycle theory

The theory of business life cycle was developed by Joseph A. Schumpeter. The theory of business life cycle on the influence of top management attention on strategic planning in the banking sectors posits that as businesses move through their life cycles, the level of top management attention on strategic planning waxes and wanes (Haanstra et al.,2017). This theory has implications for the banking sector, as the sector is highly cyclical in nature. In times of economic expansion, when business is booming, top management is likely to be more focused on strategic planning, as they look to capitalize on opportunities and grow their businesses (Jabłoński & Jabłoński, 2016). However, during periods of economic contraction, when business is more challenging, top management is likely to be less focused on strategic planning, as they look to conserve resources and weather the downturn. This cyclical nature of the banking sector means that strategic planning is likely to be more important in some years than in others (Michelin et al., 2022).).

The theory of the business life cycle posits that businesses go through a series of stages, each of which is characterized by different levels of top management attention to strategic planning and decision making (Tam & Gray, 2016). The theory suggests that as businesses move from one stage to the next, top management's attention to strategic planning and decision making increases. Park (2021) believe that attention to strategic planning is more important during the growth and expansion phases of the cycle, when firms are trying to capitalize on their successes and expand their operations. Still others believe that attention to strategic planning is equally important throughout the entire cycle. This theory supports the objectives bout the influence of the business life cycle on strategic planning in the commercial Banks of Kenya

2.2.4 Resource Dependency Theory

At Stanford University, the RDT was developed in 1978 by American business theorist Jeffrey Pfeffer and organizational theorist Gerald Salancik (Pfeffer et al., 1978). Organizations should be ready for change and uncertainty, according to resource dependency theory, which contends that they are greatly influenced by their external environment.

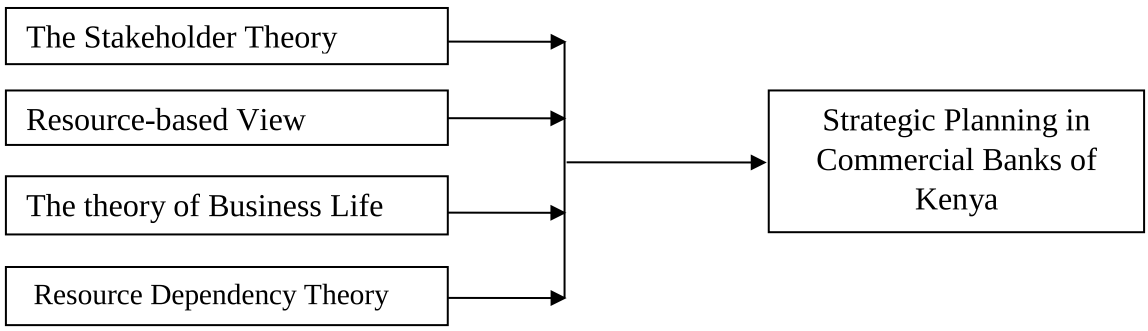
The resource dependency theory holds that the people and other groups that businesses and other organizations engage with on a daily basis in the environment prevent them from operating independently. Since RDT acknowledges the need of considering the context in which an organization operates, it follows that managers can take steps to mitigate the effects of environmental uncertainty and reliance within specific limits. Power, defined as authority over essential means of subsistence, is central to these activities (Ulrich & Barney, 1984). Organizations work to lessen the authority of others while simultaneously expanding their own authority.

Pfeffer (1978) lays out the fundamental case for the resource dependency perspective and inter-organizational linkages as a web of relationships across businesses. Third, organizations' chances of survival and continued success are diminished when they are dependent on the actions of others and cannot predict those actions; fourth, organizations try to manage their external interdependencies by taking steps, but these efforts are never fully successful and lead to the emergence of yet-yet-new patterns of dependence and interdependence; fifth, these interdependent patterns of behavior have an impact on the internal dynamics of the organizations themselves.

Research in RDT has led to the theory's central tenet, which states that a company is best understood as an open system subject to the influence of random events outside its control (Pfeffer & Salancik, 1978). The context of an organization's behavior can be better understood by looking at its environment (Pfeffer & Salancik, 1978). The RDT has been widely used as the leading framework for analyzing the interrelationships between an organization's environment and its operations since its inception in 1978 (Drees & Heugens, 2013). This study therefore supports the influence of environment turbulence on strategic planning in the commercial Banks of Kenya.

Figure 2. 1

Theoretical Framework



Source: Author (2018)

2.3 Empirical Review

Empirical review is a type of research that uses actual data and facts to answer a research question or test a hypothesis. It involves collecting and analyzing data from existing sources such as peer-reviewed journal articles, surveys, and experimental results. Unlike literature reviews, which summarize the existing knowledge on a topic, empirical reviews actually test the validity of the current theories.

2.3.1 Resources and strategic planning

The banking sector is highly resource-intensive, and the availability of resources can have a significant impact on strategic planning. For example, if a bank has access to large amounts of capital, it may be able to pursue more aggressive growth strategies. Conversely, if a bank is facing resource constraints, it may need to focus on more conservative strategies that focus on preserving capital (Garg, 2017). There is no definitive answer to this question as the impact of resources on strategic planning in the banking sector can vary greatly depending on the specific bank and the resources in question. However, it is generally agreed that having more resources at a bank's disposal can make the strategic planning process easier and more effective (Garg, 2017).

Additionally, it is worth noting that the type of resources a bank has access to can also influence the strategic planning process. For example, a bank with access to extensive financial resources may be able to engage in more aggressive strategic planning than a bank with limited financial resources (Gatome, 2019). The most important resources for banks are capital and human resources. Capital refers to the financial resources that a bank has available to support its operations. Human resources refer to the staff that a bank employs to carry out its operations (D’Cruz, 2018).

The availability of capital and human resources can impact the ability of a bank to implement its strategic plan. If a bank does not have sufficient capital, it may be unable to expand its operations or invest in new products and services. If a bank does not have enough human resources, it may be unable to provide the level of customer service that is required or to develop new products and services (Gimbert, 2016).

The banking sector is also heavily regulated. This can impact the ability of a bank to implement its strategic plan. Regulations can impose restrictions on the activities that a bank can undertake (Grant, 2018). They can also impose costs on a bank, which can impact its profitability. The banking sector is also subject to economic conditions. This can impact the demand for banking services and the profitability of banks. Economic conditions can also impact the availability of capital and human resources (Ishtiaq, 2019). All of these factors can influence the strategic planning of banks. The availability of resources, the regulatory environment, and economic conditions can all impact the ability of a bank to implement its strategic plan.

The availability of resources can have a significant impact on strategic planning. If a company has limited resources, it may need to be more selective in its strategic choices (Kim et al., 2019). For example, a company may need to choose between investing in new product development or expanding its sales force. A company with more resources may be able to pursue both options. When resources are scarce, organizations may be forced to cut back on their strategic plans in order to stay within their budget. This can limit the organization's ability to take advantage of opportunities or respond to threats in a timely manner (Tarifi, 2021).

If a company has limited resources, it will need to be more strategic in its planning in order to make the most of what it has. This may mean prioritizing certain goals and objectives, and making trade-offs in terms of what can be achieved (Kolter & Keller 2018). The company may also need to be more creative in its approach to problem-solving and resource allocation. The availability of resources can have a significant impact on strategic planning. If a company has limited resources, it may have to be more creative in its approach to planning and may have to make sacrifices in terms of the scope of its plans. On the other hand, if a company has abundant resources, it may be able to be more aggressive in its planning and may be able to take on more risk.

The availability of resources can have a significant impact on strategic planning (Garg, 2017). If a company has limited resources, it may need to be more selective in its choice of strategies. Alternatively, a company with abundant resources may be able to pursue a more aggressive growth strategy. In either case, the availability of resources is an important consideration in the strategic planning process (Mintzberg, 2017).

The availability of resources can influence strategic planning in a number of ways. Firstly, the availability of resources can constrain the options available to an organization, limiting the possible courses of action that can be taken. Secondly, the availability of resources can influence the priorities that an organization sets, as those resources that are scarcest are likely to be given higher priority. Finally, the availability of resources can also influence the timing of decisions, as organizations may need to wait until they have the necessary resources before they can implement their plans (Mohajan, 2017).

There are many benefits to having resources available when planning strategically. Resources can provide information that helps organizations make informed decisions, identify opportunities and potential threats, and develop plans to achieve their goals (Garg, 2017). Additionally, resources can help organizations to implement their plans effectively and efficiently. The main benefit of having resources available during strategic planning is that it allows organizations to more effectively allocate their resources in order to achieve their desired objectives. Additionally, having resources available can help organizations identify and assess opportunities and threats, as well as develop contingency plans in the event that certain objectives are not achievable (Naceur & Goaied, 2019).

The availability of resources can have a significant impact on strategic planning. When resources are limited, organizations may have to prioritize their goals and objectives. They may also have to be more creative in their approach to problem solving. Additionally, the availability of resources can impact the timeline of a strategic plan. If resources are not available when they are needed, the implementation of the plan may be delayed (Wolf, & Floyd, 2017).

Gatome (2019) realized the importance of resources and human resources in the strategic planning process. Also, training is done to staff to improve customer care, and e-learning to ensure all team knows the banks' values, products, services, and importance of customer service was found as key to the execution of the process. One of the most important factors in the successful implementation of strategy is the efficiency with which a business manages its resources. As a strategic move, this is among the most crucial a leader can do. Aligning an organization's internal resources with opportunities in the external environment to fulfill the organization's strategic goal is a primary focus of strategic management.

A company's ability to successfully implement its strategy relies heavily on the skillful management of its resources. In terms of strategic leadership, this is the most crucial thing you can do. Aligning an organization's internal resources with opportunities in the external world is a primary focus of strategic management, with the end goal of realizing the organization's strategic intent (Wolf & Floyd, 2017).

It's no secret that money and other resources can make or break an organization. Quality is directly related to the efficiency with which the curriculum is implemented, which is in turn determined by the quality and adequacy of resources including buildings, machinery, and instructional materials. Without proper quantities and quality of resources and facilities, educational quality cannot be achieved and maintained. Bryson (2018) argues that the most critical elements of a high-quality education are the following: a well-designed curriculum; adequate instructional materials and equipment; well-maintained facilities; a safe and comfortable learning environment; a qualified teaching staff; and regular and thorough assessment and monitoring of student progress.

To what extent an organization's goals are met is, per Altındağ and Bilaloğlu (2020), a good indicator of how well its resources are being used. However, there are a number of variables that limit resource allocation, such as cautious management, a concentration on short-term financial objectives, organizational politics, hazy strategic targets, a fear of taking risks, and a lack of expertise.

Knickmeyer (2020) argues that a company's resource allocation must be inextricably intertwined with its overarching strategy since it is one of the most influential and fundamental components of the company's strategy stream. Furthermore, they note that the way in which resources are allocated is something that every business should think about, particularly while developing and implementing their strategic plan (Bryson, 2018). It's also been noted that resource allocation should serve as a criterion for selecting strategic concepts and efforts that are necessary for carrying out strategic plans. Due to its role in deciding which projects receive funding and how much, the resource allocation process is often viewed as a filter (Bryson et al., 2018).

2.3.2 Top Management Attention and Strategic planning

The banking sector is highly competitive, and top management attention is essential for strategic planning (Wolf, et al., 2017). Top management must be aware of the opportunities and threats in the market and make decisions accordingly. If top management does not pay attention to strategic planning, the bank may not be able to compete effectively and may even fail. The banking industry is a particularly complex and competitive sector, and as such, strategic planning is essential for success (Bolisani & Bratianu, 2017). Top management attention ensures that the strategic planning process is given the attention and resources it needs to be successful. It also demonstrates the commitment of senior leaders to the process and its importance to the organization

As a result, top management attention on strategic planning has increased in recent years. This is a positive development, as strategic planning can help banks to make better decisions, identify risks, and build a sustainable competitive advantage. The attention of top management is a key factor in successful strategic planning. To set the direction of the organization, top management must be dedicated to the strategic planning process (Wolf & De Groot, 2020). To ensure the strategy plan is carried out successfully, they must also offer resources and support. To ensure the strategic planning process is successful, top management must actively participate in it and supply the required funding. Strategic planning can drop in importance and quickly lapse into oblivion without the support of senior management (Sertsios, 2020).

The top management attention given to strategic planning in the banking sector of Sri Lanka can have a significant impact on the overall performance of the sector (McGahan, 2021). If the top management is committed to the strategic planning process and provides the necessary resources and support, it can help the banking sector to achieve its desired objectives. However, if the top management is not supportive of the strategic planning process, it can hinder the sector's ability to achieve its goals (Allison & Kaye., 2016).

Top management must provide the necessary resources and support to ensure that the strategic planning process is conducted effectively (Biekpe, 2019). Furthermore, top management must be actively involved in the strategic planning process in order to provide guidance and ensure that the organization's goals and objectives are met. Top management attention on strategic planning can help ensure that the company's overall strategy is aligned with its goals and objectives. Top management attention on strategic planning can help ensure that the company's resources are used in the most efficient and effective way possible (Buhalis & Zoge, 2017).

Top management attention on strategic planning can help ensure that the company's competitive position is strong and sustainable. Top management attention on strategic planning can help ensure that the company's growth and profitability goals are realistic and achievable. Top management attention on strategic planning can help ensure that the company's management team is focused and motivated to achieve the company's strategic objectives. Additionally, top management attention can help ensure that the strategic planning process is conducted effectively and efficiently. Additionally, top management attention can help to build buy-in and commitment to the organization's strategy among employees and other stakeholders (Cole, 2019).

Perhaps most importantly, it ensures that the organization's strategic goals are aligned with its overall business objectives (Jayawarna & Dissanayake, 2019). Additionally, it provides clarity and direction for employees at all levels of the organization, helping to ensure that everyone is working towards the same objectives. Additionally, it can help to improve communication and coordination between different departments and business units. Finally, it can help to improve the organization's overall profitability and competitiveness.

When top managers are actively involved in strategic planning, it can lead to improved organizational performance (Daher & Le Saout, 2018). This is because they are better able to set goals and objectives that are aligned with the organization’s mission and vision, and they are also better able to monitor and evaluate progress towards those goals. Top management attention on strategic planning can also lead to increased employee motivation (Agwu, 2018). This is because employees feel that their work is more purposeful and that their efforts are more likely to be recognized and rewarded. Top management involvement in strategic planning can also enhance decision making. This is because they are able to bring their wealth of experience and knowledge to bear on decisions that need to be made.

Top management attention on strategic planning can also improve communication within the organization (Danneels, 2018). This is because they are better able to articulate the organization’s vision and goals, and they can also ensure that employees are kept up-to-date on progress towards those goals. Top management involvement in strategic planning can also lead to greater clarity of purpose within the organization. This is because they are better able to define what the organization is trying to achieve, and they can also help to ensure that everyone is working towards the same goals (Davis, 2018). Top management attention benefits on strategic planning may as well include more accurate planning, improved communication of the organization's strategic vision, and increased buy-in from employees. Additionally, this level of attention can help ensure that the strategic planning process is aligned with the overall goals and objectives of the organization (Davis, 2018).

According to the research of Murtiningsih et al. (2019) in Indonesia, the strategic planning team, along with the rest of the company's employees, needs to hear from upper-level management before moving on with long-term planning. When employees aren't fully invested in their work, the company's strategic strategy suffers because it isn't carried out as intended. Managers need to ensure that their staff knows what is expected of them and is fully committed to the strategic plan's execution for the strategy to be effective.

However, if there isn't enough buy-in and enthusiasm, the strategic plan may not be implemented, and the management may not get the results they were hoping for. It follows that HRM's effect on a company's bottom line is proportional to the degree to which HRM policies and practices are in step with the company's overarching strategic objectives. Opportunity can be better capitalized on when human resource policies and procedures are in sync with the overall business strategy, objectives, and activities, as demonstrated by the research. Cania (2014) found that the quality of human resources is crucial to the successful implementation of strategic plans, and he did so by studying the impact of strategic human resource management on organizational performance as assessed by a variety of indicators. According to the findings, properly managing human capital is essential for businesses to remain competitive. Employees' expectations must be met, according to the study's findings, if the company wants its workers to be driven to do their best work, stay committed to its goals, and act in accordance with the standards set by management.

An organization's vision statement must be taken into account while determining its strategic path. The vision might be lovely and even motivating, but it won't be of any help until it guides action (Taiwo et al., 2016). Success is the result of a chain of decisions beginning with a company's vision and ending with its strategy and the actions that result from those decisions. When taking action, knowing where you're going is essential for gaining speed.

A well-planned workforce makes it possible to implement workforce development initiatives supported by data. To make sense, workforce planning must be positioned within the context of the overall business. Since an organization's ability to meet customer demand for its products or services drives the need for employees, human resource planning falls under the umbrella term of "resource planning" (Cole, 2012).

Manpower is a resource that can make or break a company's ability to achieve its goals. It's possible that a company won't be able to outperform its competitors in a certain market if it doesn't have the right people on staff (Misra, 2018). Planning for the workforce will also involve devising methods to fulfill these objectives, such as determining what steps need to be taken to recruit and retain the right mix of skilled individuals. Having a well-thought-out plan in place for your workforce can help you avoid potential pitfalls, keep hold of key employees, and build your company's reputation for the future.

Strategic planning is less of a formal, more continuous process with smaller businesses. The president and his senior executives get together frequently to talk about the big picture and make plans for the future. They don't necessitate a convoluted, bureaucratic plan of action. Because of their functional structure, even relatively large, unified firms allow their top managers to evaluate alternative strategies and the ensuing action consequences on an as-needed basis. Few high-level executives are typically involved in making these sorts of choices, and they usually work close enough together that they may hold frequent, casual discussions (Davis, 2018).

However, the planning landscape in large, multifaceted enterprises can vary greatly. Most businesses opt for a product/market divisional kind of structure because it allows for decentralized decision making involving a large number of managers with specific areas of responsibility. Using an informal planning procedure when a big number of managers must agree on a course of action together is next to impossible. According to Barth and Koch (2019) a successful rollout of SP calls for a few key skillsets to be in place, one of which is the ability to execute change management tactics to increase exposure to SP in the workplace, where it may be communicated to a wider audience.

Top-level management buy-in is essential throughout the execution phase to ensure that strategic company goals are met. Accordingly, it is crucial to link management compensation with the completion of successful projects. In addition, top-level leadership must demonstrate their buy-in and participation before adequate resources will be allocated to the execution effort (Barth & Koch , 2019). For this to succeed, you'll need to set aside enough time and staff the essential positions.

2.3.3 Business life cycle and strategic Planning

The business life cycle is the process that businesses go through to develop, grow, mature, and decline (Puglieri, et al., 2022). The cycle is divided into four phases: startup, growth, maturity, and decline. The banking sector is no different, and the business life cycle has a major impact on strategic planning. In the startup phase, banks are focused on getting their operations up and running (Kerzner, 2019). They are typically more concerned with short-term goals and are less likely to have a formal strategic plan. As banks enter the growth phase, they begin to expand their customer base and product offerings. They also start to develop longer-term goals and a more formal strategic plan. In the maturity phase, banks are focused on optimizing their operations and maximizing profits. They typically have a very well-defined strategic plan and are very focused on execution. Finally, in the decline phase, banks are focused on downsizing and cost-cutting. They may also have to exit certain markets or product areas (Eisenhardt, 2018).

According to Falshaw et al. (2016) the business life cycle has a major impact on the banking sector because the sector is so heavily regulated. In the early stages of the cycle, banks are often restricted in their ability to raise capital and expand. As banks enter the growth phase, they begin to face more competition from other banks and non-bank financial institutions. In the maturity phase, banks face increased regulation and scrutiny. In the decline phase, banks may be forced to sell assets or close branches (Garg, 2017).

The business life cycle has a major impact on strategic planning because the goals and objectives of banks change as they move through the cycle. In the startup phase, banks are focused on getting their operations up and running (D'Cruz, 2018). They are typically more concerned with short-term goals and are less likely to have a formal strategic plan. As banks enter the growth phase, they begin to expand their customer base and product offerings (Grant, 2018). They also start to develop longer-term goals and a more formal strategic plan. In the maturity phase, banks are focused on optimizing their operations and maximizing profits. They typically have a very well-defined strategic plan and are very focused on execution. Finally, in the decline phase, banks are focused on downsizing and cost-cutting. They may also have to exit certain markets or product areas (Gibbons et al., 2016).

A bank's business life cycle mirrors that of any other company. The process begins with the creation of a company idea, and is followed by its subsequent planning and development. When a bank enters its growth phase, it experiences a rise in both clientele and earnings. When a bank reaches this point, it has established itself in the market and is consistently generating revenue. When a bank enters its decline phase, it experiences a drop in business and earnings. (Muriithi et al., 2018).

Business life cycle has a significant impact on strategic planning. The strategic planning process must consider the business life cycle stage that a company is in and tailor the strategy accordingly (Khakee & Stromberg, 2018). The business life cycle consists of four stages: startup, growth, maturity, and decline. Each stage has its own set of challenges and opportunities that must be addressed in the strategic planning process. When a company is in the startup stage, the focus of the strategic plan should be on developing the business model and attracting customers. The goal should be to achieve profitability as quickly as possible. If a company is in the growth stage, the focus of the strategic plan should be on expanding the customer base and increasing sales and profits

According to Abusharekh et al. (2020) the goal should be to become the market leader. If a company is in the maturity stage, the focus of the strategic plan should be on maintaining market share and profitability. The goal should be to defend against competitors and stay relevant in the market. If a company is in the decline stage, the focus of the strategic plan should be on minimizing losses and maximizing cash flow. The goal should be to wind down the business in an orderly fashion (Mintzberg, 2017).

The business life cycle has a major impact on strategic planning. In the early stages of the business life cycle, businesses typically have a more innovative and entrepreneurial culture (Motwani, 2019). They are more likely to take risks and be less risk-averse. As businesses move into the growth stage, they tend to become more conservative and risk-averse. They are more focused on efficiency and profitability, and less focused on innovation. In the maturity stage, businesses tend to be even more risk-averse, and they are focused on maintaining their market share and profitability. In the decline stage, businesses are typically struggling to survive. They are often forced to make major changes, such as downsizing, restructuring, or even shutting down (Nixon, 2019).

The business life cycle has a major impact on the banking sector. In the early stages of the business life cycle, banks are typically more innovative and entrepreneurial. They are more likely to take risks and be less risk-averse. As banks move into the growth stage, they tend to become more conservative and risk-averse. They are more focused on efficiency and profitability, and less focused on innovation. In the maturity stage, banks tend to be even more risk-averse, and they are focused on maintaining their market share and profitability. In the decline stage, banks are typically struggling to survive. They are often forced to make major changes, such as downsizing, restructuring, or even shutting down (Abdel-Basset et al., 2018).

In order to enter a period of rapid growth, the company must first achieve a state of equilibrium in its customer transactions, cash flow, access to raw materials, and production. Put your plans into action now. In this configuration, the company can not only maintain itself but thrive; there will be no shortage of cash and sales will rise. The founder may become conceited and forget the difficulties of early development under these circumstances. Given the complexity of the situation, the organization will have many competing priorities. All possibilities are explored by the manager.

It is crucial for business owners to have a thorough understanding of the many phases of development through which their companies pass in order to properly diagnose problems and prepare for the challenges that lie ahead as the company grows. Long-term planning can benefit from the use of life cycle models as a predictive tool (Scott & Bruce 1987; Barrie 1974). Plans and strategies are revised in light of management's growing familiarity with the issues, challenges, and problems inherent in each phase (Papke-Shields et al., 2017).

2.3.4 Environmental Turbulence on strategic Planning

The strategic planning process can be greatly affected by the level of environmental disturbance (Bolisani & Bratianu, 2017). It can be challenging to formulate a clear and coherent plan if there is a lot of chaos. Since the business may have to quickly adjust to new circumstances, strategic planning for the long term may be challenging. Moreover, during times of extreme turbulence, stakeholders may be more resistant to change. As a result, strategic planning must take the degree of uncertainty into account (Ali, 2018).

One of the most significant sectors of the global economy is banking, and the health of this sector directly affects the peace and prosperity of nations (Rofiq & Pramono, 2019). With banks operating in a highly regulated environment and facing fierce competition, the sector is also tremendously complex. The banking industry's strong sensitivity to changes in the macroeconomic environment merely adds to this complexity. A number of significant environmental shocks, such as the global financial crisis of 2007–2008 and the European debt crisis, have recently wreaked havoc on the banking industry. These shocks had a significant effect on the industry and made banks review their strategic planning procedures (Zhou et al., 2019).

In the face of these challenges, it is more important than ever for banks to have a robust and effective strategic planning process (Pasha & Poister, 2017). However, the environmental turbulence that banks are facing has made this task more difficult. The following discussion will examine the main challenges that banks face in their strategic planning processes, and will offer some suggestions on how to overcome these challenges (Whittington et al., 2017).

The first challenge that banks face is that the macroeconomic environment is highly uncertain. This uncertainty makes it difficult for banks to make accurate predictions about the future. In particular, it is difficult to forecast future interest rates, exchange rates, and economic growth. This uncertainty can lead to suboptimal decision-making by banks, as they may make decisions based on inaccurate information (Hunitie, 2018). Scenario planning is one approach to overcoming this difficulty. This tool can be used to produce alternative futures, each of which is predicated on a unique set of assumptions about the prevailing macroeconomic conditions. Because of this, financial institutions can better plan for the future and adapt to unforeseen circumstances. as reported by Hunitie (2018).

Another challenge that banks face is that the competitive environment is becoming more intense. This is due to a number of factors, including the increasing consolidation in the banking sector, the entry of new players into the market, and the rise of new technologies. This intensification of competition is making it more difficult for banks to differentiate themselves from their rivals (Baba et al., 2017). Concentrating on consumer needs is one strategy for overcoming this obstacle. Banks must comprehend their clients' needs in order to design products and services that satisfy those needs. This customer-centric strategy can assist banks in standing out from their rivals and gaining market share (Mufudza, 2018).

The third challenge that banks face is that the regulatory environment is becoming more complex. This is due to the increasing number of regulations that banks are required to comply with. This complexity makes it more difficult for banks to understand and comply with the regulations. It also increases the costs of compliance, which can erode profits. One way to deal with this challenge is to invest in compliance management systems. These systems can help banks to automate the compliance process, and to reduce the costs of compliance (Mufudza, 2018).

The fourth challenge that banks face is that the technology environment is changing rapidly. This is leading to the development of new technologies that can be used by banks, and to the obsolescence of existing technologies. This change can be a major source of risk for banks, as they may make investments in new technologies that turn out to be unprofitable, or that are quickly superseded by newer technologies (Abusharekh et al., 2020).

One way to deal with this challenge is to adopt a flexible approach to technology investment. This means that banks should not make large bets on any one technology, but should instead invest in a portfolio of technologies. This will help to reduce the risk of investing in a losing technology, and will also allow banks to benefit from the rapid pace of change in the technology environment (Lee, 2021).

The fifth challenge that banks face is that the political environment is becoming more uncertain. This is due to the increasing number of political risks, such as Brexit, the election of Donald Trump, and the rise of populist parties in Europe. This uncertainty can lead to a number of problems for banks, including the loss of market share, the need to restructure their businesses, and the possibility of regulatory changes. One way to deal with this challenge is to diversify geographically. This will help to reduce the impact of any one political event, and will also allow banks to benefit from the growth of markets in other parts of the world (Nixon, 2019).

The sixth challenge that banks face is that the economic environment is becoming more challenging. This is due to a number of factors, including slower economic growth, higher interest rates, and increasing inflation. This environment is making it more difficult for banks to generate profits. One way to deal with this challenge is to focus on cost efficiency. This means that banks need to find ways to reduce their costs, without compromising on the quality of their products and services. This can be done through a variety of means, such as process improvements, the use of technology, and the outsourcing of non-core activities (Motwani, 2019).

The seventh challenge that banks face is that the social environment is changing. This is due to a number of factors, including the increasing importance of social media, the rise of new social norms, and the increasing diversity of the population. This change is making it more difficult for banks to connect with their customers. One way to deal with this challenge is to use social media more effectively. This means that banks need to use social media to connect with their customers, and to build relationships with them. This can be done through a number of means, such as creating social media accounts, participating in online discussions, and providing customer support through social media (Altındağ & Bilaloğlu, 2020).

The eighth challenge that banks face is that the geopolitical environment is becoming more uncertain. This is due to a number of factors, including the increasing number of conflicts, the rise of new powers, and the increasing importance of geopolitics. This uncertainty can lead to a number of problems for banks, including the loss of market share, the need to restructure their businesses, and the possibility of regulatory changes One way to deal with this challenge is to diversify geographically. This will help to reduce the impact of any one political event, and will also allow banks to benefit from the growth of markets in other parts of the world (Bryson, 2018).

The ninth challenge that banks face is that the environment for doing business is becoming more challenging. This is due to a number of factors, including the increasing number of regulations, the intensification of competition, and the changing technology landscape. This environment is making it more difficult for banks to operate profitably. One way to deal with this challenge is to focus on efficiency. This means that banks need to find ways to reduce their costs, without compromising on the quality of their products and services. This can be done through a variety of means, such as process improvements, the use of technology, and the outsourcing of non-core activities (Grant, 2018).

The tenth challenge that banks face is that the environment for talent is becoming more challenging. This is due to a number of factors, including the increasing importance of digital skills, the war for talent, and the changing demographics of the workforce (Bryson, 2018). This environment is making it more difficult for banks to attract and retain the best talent. One way to deal with this challenge is to invest in training and development. This means that banks need to provide their employees with the skills that they need to be successful in the digital age. This can be done through a variety of means, such as e-learning, on-the-job training, and mentorship programs (Bryson, 2018).

Bank strategists are faced with the need to understand how to ensure business continuity during the Covid-19 pandemic when executing strategic planning. The pandemic has led to a standstill in customer contact, sales, and marketing (Akrofi & Antwi, 2020). Diversity and turbulence of the environment lead to difficulty in the execution of plans. The notion of adopting a 'balance sheet approach, which consists of listing all conceivable environmental influences to identify opportunities and threats, is very dangerous as the banks are not operating in a vacuum. The instability of the environment also challenges the sustainability of the process, and thus, it should be investigated to reveal the extent to which it affects strategic planning.

Indeed, even in the wake of representing the critical ward factors featured by different examinations, Falshaw et al. (2016) found no relationship between proper preparation and emotional organization outcome in an investigation of 113 UK firms. Authoritative size, ecological vulnerability, and monetary area were all variables considered.

As per Godley (2014) global companies (MNCs) with a few endeavors working in flighty and unsure business sectors have a few qualities in their essential arranging frameworks. He showed how key arranging has changed considerably since the last part of the 1970s, when he initially started concentrating on it. The gamble of utilizing medium-term gauges as a reason for key arranging was made horrendously clear during the 1980s, when the exactness of macroeconomic and market projections, especially raw petroleum cost assessments, imploded. This has prompted less time spent on determining, less dependence on monetary data sources, a change in accentuation from itemized wanting to the development of key course, a less conventional way to deal with arranging, and more organized execution targets and corporate rules. Likewise, Cania, (2014). influentially contends that essential arranging developed from a goal, insightful, expectation situated dare to a unique cycle that incorporates a dream representing things to come, hierarchical, and base up strategies.

Strategic planning in the banking business relies heavily on regular external environment scanning, according to research from Indonesia by Ridwan and Marti (2019). The inability to take advantage of possibilities is exacerbated by environmental shifts (Bryson, 2018; Oregan & Ghobadian, 2018). Banks should conduct an external environment study, an internal environment analysis, and a strength, weaknesses, opportunities, and threats (SWOT) analysis before beginning their strategy planning, as disclosed by Gatome (2019). They need to devise plans to realize the banks' long-term vision and select the most efficient means of doing so. Moreover, the bank should have an R&D division in order to analyze the market and the competition, as well as other intelligence-correcting systems.

The construction sector is inherently unstable, as it is prone to economic reliance, severe competition, a potentially limited resource base, and an absence of predictability in the nature of the labor itself. Underinvestment in building, low productivity, skills shortages, and a lag in the adoption of digitization have all stemmed from Ireland's economic cyclicality, especially in comparison to the country's manufacturing peers (Eisenhardt, 2018). These difficulties are noticeable even in times of relative calm, and they become much more severe when the economy is in a state of flux or decline. Construction is a cyclical industry, but while most businesses prepare for expansion, few consider the possibility of contraction (D'Cruz, 2018). No existing Irish empirical research examines how CPSFs' strategic planning processes and final decisions are affected by the uncertain external environment.

It has been stated that greater environmental uncertainty increases the necessity for strategic planning (Falshaw et al., 2016), which may result in shorter time spans, informality, a focus on performance planning, and distributed authority are all characteristics of the new governance models advocated by D'Cruz (2018). Consistent with what Bryson found, then (2018), who found that low-hierarchy businesses thrive in challenging settings. Entrepreneurial enterprises, according to Gibbons and O'Connor (2005), conduct more regular analyses of their competitive advantage, necessitating more comprehensive environmental monitoring. Additionally, it has been argued that in "high velocity" settings, rapid decision-makers employ more information and identify more choices than their slower counterparts (Jayawarna & Dissanayake, 2019). Ireland's building industry has not been studied thoroughly in this respect.

The market's volatility can make strategic planning more difficult, but it's still important to do on a regular basis since "failure of a corporation to adapt its structure and operations to its environment will lead to it being uncompetitive". According to the dynamic capabilities paradigm, a company's competitive advantage lies in the way it adapts its strengths and weaknesses to its operating setting. As a result, it's not enough for a corporation to simply align its strategy; it must also have the ability to adapt that plan to its surroundings (Jayawarna & Dissanayake, 2019). Organizational agility and position sensitivity, in addition to continuous environmental monitoring, are essential for success. So, the planned-emergence strategy, which emphasizes systematization and adaptability, has plenty to recommend it (Choo, 2017).

In order to stay ahead of the competition in volatile markets, businesses must be nimble and adaptable in their decision-making as well as their use of available resources (including data, software, hardware, personnel, and organizational structures and procedures). Inconsistencies in performance between businesses operating in the same environment may have a root cause in the diversity of their capabilities (Allison & Kaye, 2016).

Ireland's construction industry faces a number of external challenges, including an unpredictable local and worldwide market, new technology, a lack of skilled workers, intricate (and often multinational) supply chains, savvy customers, and the possibility of new competitors. In response to fluctuations in construction demand, Allison and Kaye (2016) looked for actions taken by the government and private sector to revitalize and sustain the sector's long-term growth. Economic collapse, an overheated real estate market, a drop in governmental investment, and a lack of investor confidence were all cited as contributing factors that brought about structural upheaval.

The building industry as a whole experiences environmental turbulence for similar reasons, but different approaches is used to deal with the problem. When making investments during times of uncertainty, businesses must assess the costs of doing so against the potential negative effects on competitiveness from delaying investments (Sanchez-Cartas, 2018). This is especially true of smaller companies, which may lack the resources of larger ones to adequately reduce risks yet may benefit from more organizational agility in the face of a crisis. New markets, tight financial management, long-term connections with clients, lower tender prices, concentration on marketing, and a focus on core business are just some of the responses that Kivunja, (2018) compares and contrasts in the worldwide construction sector. Choo (2017) found that when faced with the economic crises of 2007 and 2008, the most common response among Irish construction companies was to differentiate their services.

2.3.5 Strategic Planning

Aziz and Rahman (2019) concluded that the strategic plan's development had become one of the critical factors of success. Powell (2018) concludes that strategic planning is key to competitive advantage. Execution follows the formation stage of the strategic planning process. Planning, according to Khakee and Stromberg (2018), is best understood as "cyclical and continuous," as opposed to the commonly held belief that it should occur in a linear, sequential fashion with clearly delineated phases. According to this reading, the process's steps are dependent on one another but can be performed in any order, depending on the person's frame of mind and the information they bring to the table (Allison & Kaye, 2016). A process's ability to add value at any stage can affect its effectiveness at later stages. Some strategies need to be modified during strategy execution so that they are in line with the shifting conditions of the business environment, such as fluctuating interest rates and the demand for and supply of banking services (Cole, 2019).

Gibbons and O'Connor (2016) believe that most firms' planning and control systems are informal and inadequate. They are convinced that, at times, the firms lack control over the business environment, therefore, concentrating on fire-fighting rather than execution of the business plans. According to Gatome (2019), strategic planning processes that the banks carry out to develop strategies that might contribute to performance led to planned development, growth, technology acquaintance, and having the right people in place (Davis, 2018). The study concluded that formulating the strategy is hard but implementing it is more challenging and requires total commitment.

Managing the creation and implementation of a company's strategic plan is an action-oriented, get-things-done endeavor with as its goal the direction and performance of the company's fundamental business activities. The organization's initiative will view the smart arrangement improvement interaction as a success if it meets or exceeds its primary and financial exhibition targets and makes significant progress toward realizing the executives' fundamental vision focused on providing effective and compelling help to its anticipated clients (Buhalis & Zoge, 2017).

It goes without saying that buy-in and input from upper management are crucial to the success of any strategic planning process. The effectiveness of a more traditional strategy depends on this, though. While the topic of development remains methodologically underdeveloped, developers' analysis and approach have been widely celebrated (McGahan, 2021). It is widely acknowledged, as Bloom (2000) points out, that the involvement and commitment of a wide range of stakeholders is critical to the creation of effective strategies and action plans, which in turn is essential to the maintenance of an organization's growth and success. Therefore, the three fundamental tenets of stakeholder analysis support such extensive participation from various stakeholders: The term "inclusive" means to "ensure inclusion of the full range of different stakeholders, including marginalized and vulnerable groups;" "relevant" means to "include only relevant stakeholders—those who have a significant stake in the process;" and "gender sensitive" means to "take into account the needs of both genders".

Using these guidelines, we can establish a system of classifications and identify the many types of interest groups that will be involved. People who need to be informed but who don't want to get involved in shaping policies and projects are called "listeners." There are also those who are merely watching the policy assessment process, but who could become involved if they suddenly find themselves without access to relevant information or if they are caught off guard by the results. Reviewers will keep a close eye on the grading process and look through any suggestions or materials that might be used. Advisors put in their own effort and are enthusiastic to participate. Because of the importance they place on this matter, the organization's strategy team needs to give it the same degree of attention and effort. Creators are so invested that they contribute to the development of choices. Maintaining such intensity of participation may be challenging. Stakeholders, or decision-makers, want to be included in the decision-making process so that they can have some say in the outcomes (Bolisani, & Bratianu, 2017).

Those in charge of the plan's execution must swear to keep their focus where it belongs and make any necessary changes only after giving careful consideration to how they will affect the whole. The company needs to strike a balance between tending to daily operations and developing new long-term strategies. The principal line of business that underlies previously formed business strategies is sometimes overlooked when a company focuses on developing new strategic plans, leading to development issues. According to Wolf and Floyd (2017), strategy equals doing what needs to be done. He went over four scenarios in which strategies were poorly executed: those with a defective strategy and poor execution, those with a sound strategy and poor execution, and those with a sound strategy and good execution. Only when both the strategy and its implementation are solid does the company stand a decent chance of success, barring the influence of other factors such as the environment and the competition. Additionally, he argues that one of the main issues contributing to failed strategy formulation is the execution of the wrong plan.

There are two types of challenges that can impede a firm's ability to carry out its strategy, according to Vasilev (2017): those that originate within the organization and those that are caused by external factors in the industry. The degree to which a company is able to adapt in order to successfully implement strategic plans affects both internal and external factors. Using Martha Stewart's "six strategy killers" as a starting point, DeLisi (2016) analyzed the challenges that prevent strategies from being put into action. According to his research, four of these characteristics significantly disrupt or prevent the successful implementation of a strategy.

The first is inefficient top-level administration. b) an authoritarian, autocratic, or ad hoc approach to leadership Poor cooperation across departments and a lack of clarity in strategy and prioritization are also issues. In addition, Biekpe (2019) investigation uncovered various other causes for the unsuccessful implementation of strategies. Such things included: Employees have difficulty making concrete connections between the plan and their day-to-day work; senior management pays little attention to the plan; and important reinforcements, such as organizational culture, structure, processes, information technology, management, and human resources, are overlooked.

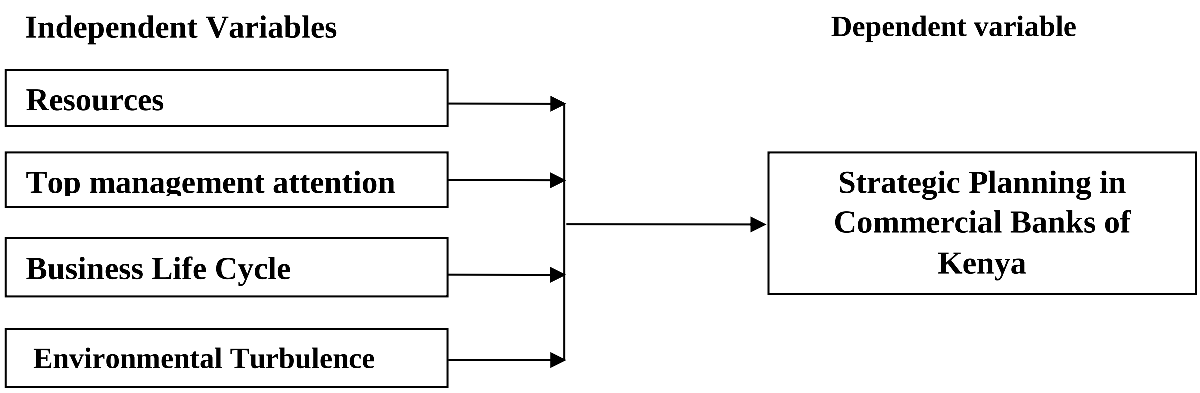
Business failure, according to a substantial body of research, is almost always the result of insufficient planning. According to Abusharekh et al. (2020), if a company doesn't have a well-defined strategy, it has no solid ground on which to build and sustain a competitive advantage. Vasilev (2017) argues that the presence of strategic planning within an organization increases the likelihood of its success. Further, they argue that a company can't sustainably gain or keep a competitive edge in the market without a well-defined strategy. Thus, improved performance can lead to greater corporate success, while strategic planning can facilitate the former. Empirical evidence is needed to back up such claims (Kabeyi, 2019).

2.4 Conceptual framework

According to Wolf and De Groot (2020), a conceptual framework is "a set of interrelated assumptions, concepts, attitudes, and practices that together form a shared perspective on the world," which is particularly relevant to the academic community. In general, the research is looking at resource, top management attention, business life cycle and environmental turbulence (independent variables) and their influence on Strategic Planning in commercial banks of Kenya (Dependent variable). Figure 2.1 displays the variables and their respective indexes.

Figure 2. 2

Conceptual Framework

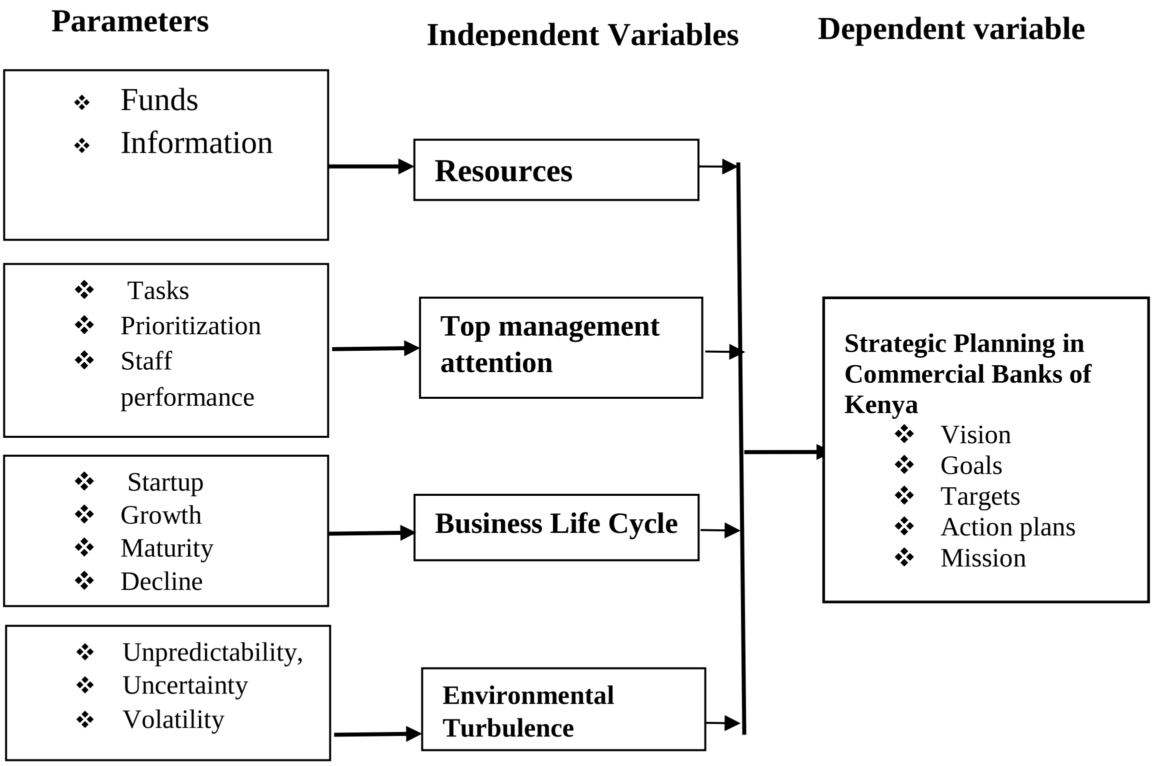


Source: Author (2018)

2.5 Operationalization of the Variables

Figure 2. 3

Operational Framework



Source: Author, 2018

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section discusses the methodology used in the research, including sampling of the population, data collection, analysis, and presentation of the results. This chapter details the approaches taken to define the scope of the research, choose a representative sample, conduct the interviews, and compile and evaluate the data used to draw conclusions about the factors affecting strategic planning in banking institutions.

3.2 Research design

Research design is the overall strategy or plan for conducting research. A census design was used in the investigation. Census design is often used in social science, public health, and other fields where comprehensive data is needed. In a research thesis, census design is used to provide a more comprehensive understanding of the population being studied. (Bryman, 2006). Census design is a research method that is often used in research theses to obtain a representative sample of a population. Specifically, census design involves surveying the entire population of interest, rather than a sample of it. This method is useful for obtaining accurate information about the characteristics and behaviors of a population, as well as for making comparisons between groups. Additionally, census design can be used to analyze trends or relationships between variables over time.

3.3 Study Population

This study focused on the 42 registered commercial banks in Kenya, 22 of which were small banks, 15 medium banks, and 5 giant banks (CBK, 2015). A census was conducted due to the modest number of banks and their straightforward accessibility from their Nairobi headquarters. Thus, the target population for this study was 3 managers from each of the 42 commercial banks located in Nairobi County, resulting in a total of 126 managers. They consisted of branch management, head of marketing and head of business development.

3.4 Research instruments

This study used a data collection instrument to methodically and objectively gather information for the study (Orodho, 2019). Questionnaires with closed-ended questions were used as tool for gathering data in this study. Bell et al. (2018) argues that questionnaires are the preferable method of data collecting due to their efficiency and respondents' willingness to share candid feedback on the issue under study. Kothari (2019) argues that questionnaire data are accurate and legitimate since they are collected without researcher bias or influence. Data collection was described by Bloomfield and Fisher (2019) as the process through which information is gathered from research subjects. The questions addressed by the questionnaires sought to collect information on the impact of resources, top management attention, business life cycle, and environmental turbulence on the execution of strategic planning in commercial banks

3.5 Data Collection Procedure

The researcher acquired a study license from the National Commission for Science, Technology and Innovation (NACOSTI) and an introductory letter from Kenya Methodist University. Upon obtaining clearance from the institution, questionnaires were distributed to three managers representing 42 Kenyan commercial banks. The respondents filled out the questionnaires and returned them at the designated time for collection.

3.6 Piloting of the Instruments

A pilot study is a separate preliminary inquiry done to refine the study design and to identify different expectations before implementing the primary study, as defined by (Kumar, 2019). One of the goals of this type of research is to improve the tools and methods used in data collecting and analysis (Saunders, et al, 2009). The study was done in Kiambu County where the respondents constituted of 4 commercial banks.

3.6.1 Validity of Research Instruments

According to Kumar (2019) validity refers to how well an instrument can be relied upon to accurately measure a target variable. The supervisors played a crucial part in ensuring the instruments used were valid by evaluating the questionnaire with the researcher and offering feedback based on their knowledge. The researcher sought advice from faculty members at Kenya Methodist University's department of business to ensure that the researcher was on the right track when it came to developing valid instruments, particularly with regards to establishing face, construct, and content validity. Clarity and ease-of-use were established with the aid of content validity. Having a visual representation of the instruments' physical form (face validity) was a huge assistance.

3.6.2 Reliability of research instruments

Including many similar measure items, testing a representative sample of respondents, and using consistent testing protocols are all ways to boost reliability, as described by (Clark & Watson, 2019). The term "reliability" is used to describe how consistent, stable, or dependable the data is. When measuring a variable, researchers want to make sure their results are reliable and consistent (Cooper & Schindler, 2016). Results from a trusted measurement were consistent with those from a second, identical attempt. The reliability of the measurement decreases if the goods differ. Cronbach's was utilized as an internal consistency method. The dependability coefficient known as Cronbach's alpha provides an objective measure of the data's transferability. The data is considered credible if the alpha coefficient is greater than 0.7. It has a high degree of internal consistency and can be extrapolated to capture the attitudes of the entire sample population (Saunders, et al, 2009).

3.7 Data Analysis

The finalized surveys were revised for clarity and uniformity. After collecting the information, the data was coded such that the answers could be organized into distinct sets. Excel and SPSS (Statistical Package for the Social Sciences, version 24.0) were used for the primary computer-based data analysis technique. Generally, I used descriptive statistics to provide an overview of the data. These were broken down by frequency and percentage. The determinants affecting strategic planning in Kenyan commercial banks were identified using multivariate regression analysis. A regression equation taking into account multiple variables was.

$Y = \beta 0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \mu$ Where;

Where; Y = strategic planning in banking Industry in Kenya, X_1 =S Resources X_2 = top management attention X_3 = business life cycle X_4 = environment turbulence

In the model, $\beta 0$ = the constant term while, β_ii= 1….4 will be used to measure the sensitivity of the dependent variable (Y) to unit change in the predictor variables X_1, X_2, X_3 and X_4 μ is the error term which captures the unexplained variations in the model

3.7.1 Diagnostic Tests

The OLS assumptions were checked with a diagnostic test before the actual regression was performed. There were checks for Multicollinearity test, Normality test and Heteroscedasticity Test of the dependent variable. Multicollinearity is typically measured using variance inflation factors (VIFs), which quantify the amount of increase in the variance of an estimated regression coefficient that results from collinearity. A VIF of 1 indicates that there is no collinearity. A VIF of greater than 1 indicates that there is collinearity. The VIF is calculated as follows: VIF = 1/ (1-$R^{\wedge 2}$) where R is the multiple correlation coefficients for the predictor in question. A high VIF indicates that the predictor is highly correlated with the other predictors in the model and that the estimates of the regression coefficients are less precise. A normality test is typically used to determine whether a data set is normally distributed. There are a number of different normality tests, but the most common is the Kolmogorov-Smirnov test. The Kolmogorov-Smirnov test compares the empirical distribution of a data set with a theoretical normal distribution. The test statistic is calculated as follows: KS = max (abs (F(x) - f(x)) where F(x) is the empirical cumulative distribution function and f(x) is the theoretical cumulative distribution function. If the test statistic is large, then the data set is not normally distributed. Heteroscedasticity is typically measured using the Breusch-Pagan test. The test statistic is calculated as follows: BP = n * ($R^{\wedge 2}$ - $r^{\wedge 2}$) / (1 - $r^{\wedge 2}$) where n is the number of observations, $R^{\wedge 2}$ is the multiple correlation coefficient, and $r^{\wedge 2}$ is the correlation coefficient between the predictor and the response. If the test statistic is large, then the data set is heteroscedastic.

3.8 Ethical considerations

The highest levels of research ethics were followed throughout. The survey did not include any questions or content that could be construed as demeaning, discriminating, or otherwise socially undesirable to any part of the population being polled. The APA Referencing System was employed to properly credit all of the journals and books that had a role in this investigation. No private or personal questions were included in the surveys, as they were only meant to gather data pertinent to the research issues. In this case, the data acquired was exclusively used for instructional purposes. Before any data was collected, permission was obtained from participants and relevant authorities.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1 Introduction

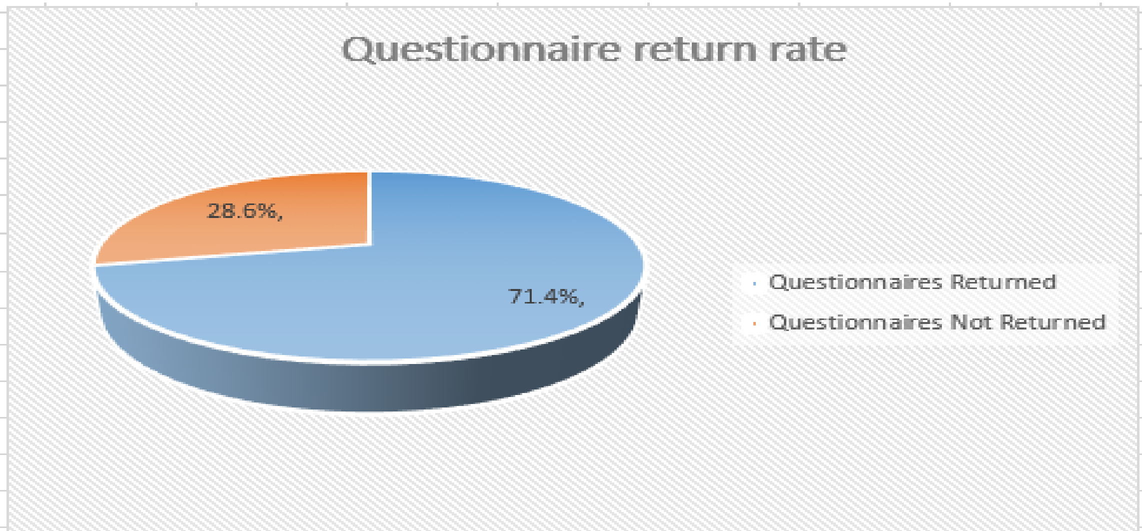
The main purpose of the study was to determine the assessment of the factors influencing strategic planning in commercial Banks of Kenya with the headquarters in Nairobi. The findings and interpretation of the study results are also presented in this chapter, which attempted to address the research questions arising from the objectives are also presented in this chapter.

4.2 Questionnaire return rate

The study targeted a total of 126 managers from 42 registered commercial banks whose headquarters are in Nairobi County. From a total of 126 managers, only 90 managers filled in and returned their questionnaires successfully, making a response rate of 71.4 percent. This response rate Hendra and Hill (2019) was sufficient for analysis and reporting.

Figure 4. 1:

Questionnaire return rate



Source: Filed Data (2018)

4.3 Results of the Pilot Test (Validity and Reliability Test Results)

4.3.1 Validity

The Cronbach's reliability test was use in this study to find out if the questions were reliable and also to determine whether the used scale used by the study was reliable. According to Bonnet and Wright, (2015), Cronbach's alpha value is interpreted as follows; $\alpha \geq 0.9$ = excellent, $0.9 \geq \alpha \geq 0.8$ = Good, $0.8 \geq \alpha \geq 0.7$ =Acceptable and finally $0.7 \geq \alpha \geq 0.6$ = questionable. Results as indicated in table 4.1 reveal that all the Cronbach's value of the four variables were 0.7 and above, which implies an excellent internal consistency.

Table 4.1
Reliability Test

Study variables	Cronbach Alpha	No of Items
Resources	0.812	5
Top Management Attention	0.892	4
Business Life Cycle	0.797	6
Environment Turbulence	0.778	6

Source: Survey Data (2018)

4.4 Respondents Background the Information

The purpose of this section was to collect information on the respondents' backgrounds and demographics.

4.4.1 Gender of the Respondent

This study was done to determine the fair engagement of respondents in terms of their gender. Results are shown in figure 4.2 below.

Table 4. 2

Gender Distribution

Gender categories		Frequency	Percent
Valid	**Male**	47	52.2
	Female	43	47.8
	Total	90	100.0

Source: Field Data (2018)

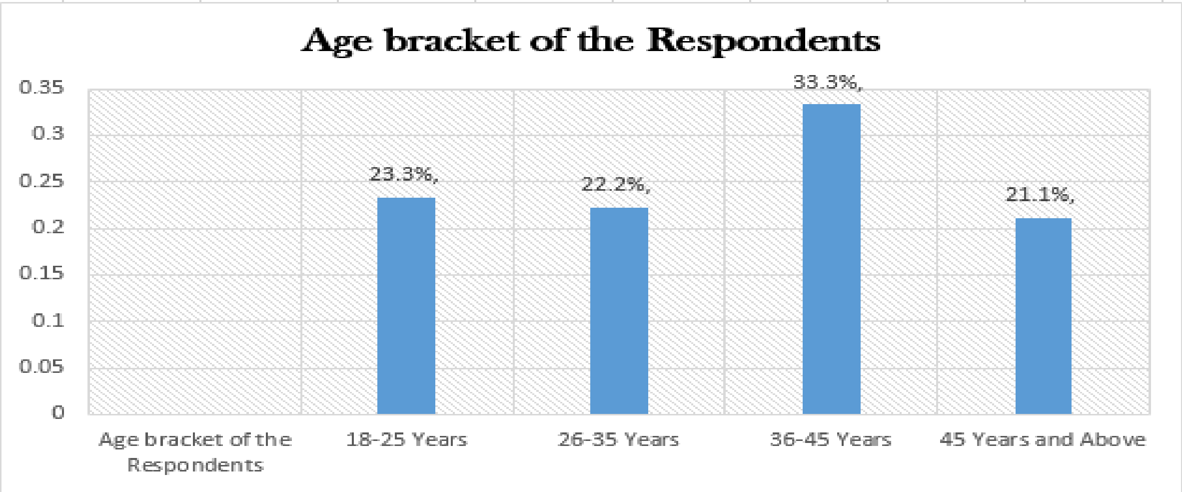
The survey found that 47 (52.2% of respondents) were male and 43 (47.8% of respondents) were female (see figure 4.2 above). The research showed that commercial banks in Kenya had a relatively equal number of male and female employees.

4.4.2 Age bracket of the Respondents

Since people of different ages are presumed to have distinct points of view on issues, the researchers needed to make sure their survey sample was representative of the population at large. All responders were asked to specify their age range. The results are as shown in figure 4.2

Figure 4. 2

Age Category



Source: Field Data (2018)

In the findings above, it the study found that most of the respondents as shown by 30(33.3%) were aged between 36-45 year, 21(23.3%) of the respondents were aged between 18- 25 years, 20(22.2%) of the respondents were age between 26-35 while only 19(21.1%) of the respondents were 45 years and above. The results show that commercial bank managers came from a wide range of ages, indicating that they had the necessary maturity to do their jobs efficiently.

4.4.3 Level of Education Attained

One's own understanding of many situations is dependent on how much education they have received. Those who participated in the study were questioned about their educational background so that researchers could gauge their preparedness to answer the questions. The findings are as shown in table 4.3 below.

Table 4. 3

Level of Education Attained

	Education Categories	Frequency	Percent
	Diploma	8	8.9
	Undergraduate	64	71.1
Valid	**Masters**	10	11.1
	PhD	8	8.9
	Total	90	100.0

Source: Field Data (2018)

The survey found, as shown in table 4.3, that the vast majority of managers as demonstrated by 65(71.1%) had undergraduate degree, 10(11.1%) of the respondents had masters level while 8(8.9%)of the respondents both had diploma and PhD level of academic qualifications. Knowledge and skill as managers at commercial banks were disclosed by the respondent's level of education.

4.4.5 Length of Work at the Commercial Bank

A primary goal of this study was to ascertain the respondents' levels of reliability by learning about their levels of experience working in commercial banks.

Table 4. 4

Length of Work at the Commercial Bank

	Length in years	Frequency	Percent
	1 to 5 years	16	17.8
	6 - 10 years	13	14.4
Valid	**11 - 15 years**	40	44.4
	16 - 20 years	18	20.0
	21 Years and above	3	3.3
	Total	**90**	**100.0**

Source: Field Data (2018)

As according to table 4.4, most managers (40, or 44.4%) have worked for between 11 and 15 years, while 16 (or 17.8%) have worked for between 1 and 5 years, 18 (or 20.0%) have worked for between 16 and 20 years, 13 (or 14.4%) have worked for between 6 and 10 years, and only 3 (or 3.3%) have worked for more than 21 years. Findings showed that managers at commercial banks in Kenya have sufficient experience.

4.5 Descriptive Statistics Results

The study aim was to investigate effect of resources, top management attention, business life cycle and environment turbulence on strategic planning in commercial Banks of Kenya. This section presented their descriptive results.

4.5.1 Resources on Strategic Planning

The study sought to find out the effect of resources on strategic planning in commercial Banks of Kenya. The results are as shown in table 4.5.

Table 4. 5

Resources on Strategic Planning

Item	SD	D	N	A	SA
Strategic aspirations of top management frequently exceed the resources they are prepared to or able to devote to their pursuit.	0.0%	8(8.9%)	0.0%	32(35.6%)	50(55.5%)
Available financial resources are allocated appropriately.	3(3.3%)	0.0%	5(5.6%)	32(35.6%)	50(55.6%)
We have kept a lot of money in the bank compared to our other holdings.	0.0%	0.0%	4(4.4%)	20(22.2%)	66(73.3%)
We have adequate human resources for our business operations.	0.0%	0.0%	12(13.3 %)	23(25.6%)	55(61.1%)
We can get valuable business-related information from various business connections	9(10.0%)	10(11.1%)	1(1.1%)	19(21.1%)	51(56.7%)

Source: Field Data (2018)

A descriptive analysis results as shown in table 4.5 above revealed that majority of the respondents who represented 91.1% strongly agreed with the opinion the top managers' strategic ambitions outstrip the resources they are willing or able to allocate to attain their goals while 7only 8.9% of the respondents disagreed with the statement. The study also revealed that 91.1% of the respondents strongly agreed that available financial resources are allocated appropriately, 5.6% of the respondents were neutral with the statement while only 3.3% were strongly disagreed with the statement. Most of the respondents 95.5% strongly agreed that they have maintained a high level of deposit accounts relative to other assets, as per the opinion, only 4.4% were neutral to the with the statement. Further, most respondents 86.7% also strongly agreed to the statement that they have adequate human resources for their business operations, 13.3% of the respondents were neutral with the statement. Lastly, 77.8% of the respondents strongly agreed that they can get valuable business-related information from various business connections,21.1% disagreed with the opinion while only 1.1% of the respondents were neutral to the opinion. The findings concur with Gatome (2019) who stated that it is worth noting that the type of resources a bank has access to can also influence the strategic planning process. When resources are scarce, organizations may be forced to cut back on their strategic plans in order to stay within their budget. This can limit the organization's ability to take advantage of opportunities or respond to threats in a timely manner (Tarifi, ,2021).

4.5.2 Top Management Attention on Strategic Planning

The study sought to find out the effect of Top Management Attention on strategic planning in commercial Banks of Kenya. The results are as shown in table 4.6.

Table 4. 6

Top Management Attention on Strategic planning

Item	**SD**	**D**	**N**	**A**	**SA**
I ensure that suitable courses of action are designed after evaluating alternative measures	0.0%	0.0%	0.0%	18(20.0%)	72(80.0%)
I only act on issues that attract my attention, are more critical	0.0%	9(10.0%)	30(33.3%)	30(33.3%)	21(23.3%)
I pay attention to issues determined in the goals, tasks, and demands of my job	0.0%	0.0%	5(5.6%)	12(13.3%)	73(81.1%)
I ensure that jobs are shared amongst team members in the Department/Directorate/ Division	4(4.4%)	2(2.2%)	2(2.2%)	27(30.0%)	54(60.0%)

Source: Field Data (2018)

A descriptive analysis results as shown in table 4.6 above revealed that majority of the respondents who represented 100.0% strongly agreed with the opinion statement that they always ensured that suitable courses of action are designed after evaluating alternative measures. Most respondents 56.6% agreed that they only act if the issues that attract their attention are more critical, 33.3% of the respondents were neutral with the statement while only 10.0% of the respondents were neutral to the statement. Further in this study, 94.4% of the respondents strongly agreed that they pay attention to issues determined in the goals, tasks, and demands of their job, 5.6.0% of the respondents were neutral to the opinion statement. Lastly most respondents 90.0% strongly agreed to the opinion that they always ensure that jobs are shared amongst team members in the Department/Directorate/ Division while 6.6% of the respondents disagreed with the opinion while only were 2.2% were neutral to the opinion. This study concurs with Sertsios (2020) who revealed that top management must be actively involved in the strategic planning process and provide the necessary resources to ensure its success. Also revealed that when the top management is committed to the strategic planning process and provides the necessary resources and support, it can help the banking sector to achieve its desired objectives.

4.5.3 Business Life Cycle on Strategic Planning

The study sought to find out the effect of Business Life Cycle on strategic planning in commercial Banks of Kenya. The results are as shown in table 4.7.

Table 4.7

Business Life Cycle on Strategic Planning

Item	SD	D	N	A	SA
Our bank is experiencing limited resources to serve a growing customer demand.	1(1.1%)	0.0%	(4(4.4%)	12(13.3%)	73(81.1%)
Most of our sales are to existing customers	0.0%	0.0%	7(7.8%)	51(56.7%)	32(35.6%)
We are diversifying into other lines of products	4(4.4%)	0.0%	26(28.9%)	12(13.3%)	48(53.3%)
There is a need for our bank to acquire resources to extend our services to more customers	0.0%	0.0%	0.0%	22(24.4%)	59(65.6%)
We are innovating around our existing products	0.0%	9(10.0%)	0.0%	22(24.4%)	59(65.5)
It is about time we changed our business model	0.0%	0.0%	0.0%	33(36.7%)	57(63.3%)

Source: Field Data (2018)

A descriptive analysis results as shown in table 4.7 above showed that 94.4% of the respondents strongly agreed that their bank is experiencing limited resources to serve a growing customer demand, 4.4% of the respondents were neutral to the opinion while only 1.1% strongly disagreed with the pinion. 92.3% of the respondents strongly agreed that most of their sales are to existing customers while only 7.8% of the respondents were neural to the opinion. Most respondents 66.6% strongly agreed that they are diversifying into other lines of products, 28.9% of the respondents were neutral while only 4.4% of the respondents strongly disagreed with the statement. 20(54.1%) of the respondents also strongly agreed that there is a need for their bank to acquire resources to extend their services to more customers. Most of the respondents 89.9% strongly agreed with opinion that they are innovating around their existing products while only 10.0% were neutral to the opinion statement. Lastly, 100.0% were in agreement with the opinion that it is about time they changed their business model. This stud was supported by Falshaw et al., (2016) who revealed that the business life cycle has a major impact on the banking sector because the sector is so heavily regulated. In the early stages of the cycle, banks are often restricted in their ability to raise capital and expand. As banks enter the growth phase, they begin to face more competition from other banks and non-bank financial institutions.

4.5.4 Environment Turbulence on Strategic Planning

The study sought to find out the effect of Business Life Cycle on strategic planning in commercial Banks of Kenya. The results are as shown in table 4.8.

Table 4. 8

Environment Turbulence on Strategic Planning

Item	SD	D	N	A	SA
Our external business environment has become more unpredictable in the last year	0.0%	8(8.9%)	0.00%	39(43.3%)	43(47.8%)
We continually change our internal processes to ensure that we keep pace with the business demands	0.0%	0.0%	18(20.0%)	23(25.6%)	49(54.4%)
We can anticipate the political impact on our business for the next one to two years	0.0%	0.0%	0.0%	11(12.2%)	79(87.8%)
We consistently keep pace with the demands of our various stakeholders.	0.0%	11(12.2%)	0.0%	11(12.2%)	68(75.6%)
The branches have a working rotation team during the Covid-19 pandemic to mitigate infection and ensure a business continuity plan	0.0%	11(12.2%)	10(11.1%)	10(11.1%)	59(65.6%)
We do not expect any changes in the regulatory environment concerning our business operations	5(5.6 %)	0.0%	0.0%	4(4.4%)	81(90.0%)

Source: Field Data (2018)

A descriptive analysis outcome as shown in table 4.8 above showed that most of the respondents 91.1% strongly agreed that their external business environment has become more unpredictable in the last year, and only 8.9% disagreed with the opinion statement. Most of the respondents 80.0% also strongly agreed with the statement that they continually change their internal processes to ensure that they keep pace with the business demands while only 20.0% were neutral to the opinion statement. Most respondents 100.0% of the respondents strongly agreed that they can anticipate the political impact on their business for the next one to two years. Further, 87.8% of the respondent’s agreed that they consistently keep pace with the demands of their various stakeholders. Most of them 76.6% also agree that the branches have a working rotation team during the Covid-19 pandemic to mitigate infection and ensure a business continuity plan while only 12.2% were neutral to the opinion statement. Lastly, most the respondents 94.4% strongly agreed that they do not expect any changes in the regulatory environment concerning their business operations, only 5.6% of the respondents show their disagreement with the opinion statement. The study was supported by Pasha and Poister (2017) findings who revealed that in the face of these challenges, it is more important than ever for banks to have a robust and effective strategic planning process. They also suggested that, the environmental turbulence that banks are facing has made this task more difficult.

4.5.6 Strategic Planning in the banking industry

The study sought to find out the Strategic Planning in commercial Banks of Kenya. The results are as shown in table 4.9.

Table 4. 9

Strategic Planning in the Banking Industry

Item	**SD**	**D**	**N**	**A**	**SA**
We thoroughly assess our internal business environment	1(1.1%)	0.0%	0.0%	3(3.3%)	86(95.6%)
We thoroughly assess our external business environment	0.0%	0.0%	0.0%	10(11.1%)	80(88.9%)
We develop strategies and action plans for each strategy	0.0%	8(8.9%)	8(8.9%)	34(37.8%)	40(44.4%)
When carrying out strategic planning, we perform internal environment analysis	0.0%	9(10.0%)	0.0%	21(23.3%)	60(66.7%)
We analyze opportunities in the market in which we operate when carrying out strategic planning	0.0%	0.0%	10(11.1%)	40(44.4%)	40(44.4%)
We take into account the threats that face our business when developing our strategic plan.	0.0%	0.0%	18(20.0%)	22(24.4%)	50(55.6%)

Source: Field data (2018)

A descriptive analysis finding as shown in table 4.9 above showed that 98.9% of the respondents strongly agreed that they thoroughly assess their internal business environment while only 1.1% of the respondents were neutral to the opinion. Most of the respondents 100.0% strongly agreed that they thoroughly assess their external business environment. Most respondents 82.2% also strongly agreed that they develop strategies and action plans for each strategy, 8.9% of them were in disagreed, similarly, 8.9% were neutral to the opinion statement. 90.0% of the respondents agreed that when carrying out strategic planning, they always perform internal environment analysis while only 10.0% were disagree to the opinion. 88.8% of the respondents further agreed that they always analyse opportunities in the market in which they operate when carrying out strategic planning while only 11.1% were neutral to the opinion. Lastly, most respondents 80.0% strongly agreed that they take into account the threats that face their business when developing their strategic plan. The findings were in line with Gatome (2019) that strategic planning processes that the banks carry out to develop strategies that might contribute to performance led to planned development, growth, technology acquaintance, and having the right people in place.

4.6 Diagnostic Tests Results

The investigation checked many statistical hypotheses, like the validity of the employed statistics and the results of any regressions. The tests for multi-collinearity, heteroscedasticity, and the distribution of the dependent variable were also performed.

4.6.1 Multicollinearity test

In order to determine whether or not there was multicollinearity, we calculated Variance Inflation Factors (VIFs) and their inverse, the tolerance, and the findings are shown in Table 4.10.

Table 4. 10

Multicollinearity Test

Variances	Collinearity Statistics	
	Tolerance	**VIF**
Resources	.900	1.112
Top management attention	.941	1.062
Business life cycle	.941	1.063
Environment turbulence	.885	1.130
a. Dependent Variable: Strategic Planning		

Source: Field Data (2018)

Values of the VIF more than 10 indicate multi-collinearity; however, in this case, all values were less than 10, indicating the lack of multi-collinearity. Consistent with what was predicted by Duzan and Shariff (2016) the regression coefficients were inaccurately computed for VIF values greater than 10 (tolerance 0.20).

4.6.2 Normality test

Kolmogorov Smirnova (KS) test was used to check for the existence of extreme values in the dependent variable, which suggests that it is not normally distributed. The distribution of the dependent variable ought to be normal. As seen in Table 4.11, the KS normalcy test yielded the expected findings.

Table 4. 11

Kolmogorov- Smirnova Test of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	**df**	**Sig.**	**Statistic**	**df**	**Sig.**
Strategic Planning	.184	90	.059	.196	90	.000

a. Lilliefors Significance Correction

Source: Field Data (2018)

At the 5% significance level, the KS test's p-value of 0.059 does not rule out the possibility that the dependent variable is not normally distributed (more than 0.05). This means the data was statistically suitable for use in a regression analysis. Therefore, an OLS regression model was used in the research. The findings are supported by Tabachnik and Fidel (2007), who suggest that if the significance value is greater than 0.05, this indicates normality, whereas a significance value of .000 suggests a violation of the assumption of normality.

4.6.3 Heteroscedasticity Test

Table 4.12 shows that homoscedasticity holds if the dependent variable exhibits the same degree of variability across all possible values of the independent variables.

Table 4.12

Heteroscedasticity Test

Test – Statistic	Degree of Freedom	P-Value
6.3221	4	0.5463

Source: Field Data (2018)

The null hypothesis of homoscedasticity was not rejected because the p-value was greater than 0.05 at the 5% threshold of significance, as shown in Table 4.12. When the variance of the data is not constant, Creswell (2014) found that the coefficients connected to the predictor and outcome variables may not precisely signify their real association.

4.7 Pearson Correlation Coefficient Matrix

Strategic planning in commercial banks was examined in relation to four independent variables: top management focus on resources; business life cycle; environmental volatility; and strategic planning. In the study, researchers employed Karl Pearson's coefficient of correlation to measure the degree of association between the variables.

Table 4.13 presents the findings of a 2-tailed Pearson Correlation test performed with 99% and 95% confidence interval.

Table 4. 13

Pearson Correlation Coefficient Matrix

		R	TMA	BLC	ET	SP
R	Pearson Correlation	1				
	Sig. (2-tailed)	.				
TMA	Pearson Correlation	.645	1			
	Sig. (2-tailed)	.000	.			
BLC	Pearson Correlation	.742	.517	1		
	Sig. (2-tailed)	.003	.003	.		
ET	Pearson Correlation	.767	.268	.136	1	
	Sig. (2-tailed)	.000	.132	.456		
SP	Pearson Correlation	.617	.736	.711	.621	1
	Sig. (2-tailed)	.002	.004	.003	.000	.

*** Correlation is significant at the 0.01 level (2-tailed), N = 90*

*Key: **R** = Resources; **TMA**= top management attention; **BLC** = Business Life Cycle, **ET**= Environment Turbulence; **SP** = Strategic Planning*

Ho_1: Resources has no significant effect on strategic planning in commercial Banks of Kenya.

The results in Table 4.13 revealed a strong and significant positive correlation between resources and strategic planning in Kenya's commercial banks (r = 0.645, p < 0.000), thus rejecting the first hypothesis that states there is no significant influence of resources on strategic planning in commercial Banks of Kenya, and accepting the alternative hypothesis that states resource has a significant influence on strategic planning in commercial Banks of Kenya.

H_{O2}: Top Management Attention has no significant effects on strategic planning in commercial Banks of Kenya.

The results from table 4.13 showed a strong and significant positive relationship between top management attention and strategic planning in commercial Banks of Kenya ($r = 0.742$, $p < 0.000$). This suggests that top management attention has a significant influence on strategic planning in commercial Banks of Kenya, thus rejecting the hypothesis that stated there was no significant effect and accepting the alternative that top management attention has a significant effect on strategic planning in commercial Banks of Kenya.

H_{O3}: Business life cycle has no significant on strategic planning in commercial Banks of Kenya.

The results of the study showed a strong and significant positive relationship between business life cycle and strategic planning in commercial Banks of Kenya ($r = 0.767$, $p < 0.001$), thus rejecting the hypothesis that business life cycle does not have a significant influence on strategic planning in commercial Banks of Kenya and accepting the alternative hypothesis that business life cycle does indeed have a significant influence on strategic planning in commercial Banks of Kenya.

H_{O4}: Environment turbulence has no significant on strategic planning in commercial Banks of Kenya.

The results of the study showed that there was a strong and statistically significant positive relationship between environment turbulence and strategic planning in commercial Banks of Kenya ($r = 0.617$, $p < 0.00$). Therefore, the hypothesis that environment turbulence does not have a significant influence on strategic planning in commercial Banks of Kenya was rejected, and the alternative hypothesis that environment turbulence has a significant influence on strategic planning in commercial Banks of Kenya was accepted.

4.8 Outcome of the Regression Analysis

Resources, top management focus, the business life cycle, environmental volatility, and strategic planning were all factored into a regression model to determine their impact on Kenya's banking sector. Because of this, the study was able to provide satisfactory explanations for the issues raised. Table 4.14 displays the outcomes of the model summary analysis.

Table 4. 14

Outcome of the Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	**(Constant)**	3.880	.681		15.699	.000
	Resources	.192	.056	.311	3.424	.002
	Top management Attention	.204	.123	.318	3.719	.000
	Business Life Cycle	.188	.080	.029	3.129	.001
	Environment Turbulence	.036	.059	.069	0.511	.503

a. Dependent Variable: Strategic Planning

In accordance with the conceptual framework, the total equation can be found in the Unstandardized beta coefficients column of Table 4.14. The model is when the aforementioned beta coefficients are plugged into the equation. After doing some math, researchers discovered the following regression equation:

Y = $3.880+0.192_{X1}+(0.204_{X2)}+0.188_{X3}+0.036_{X4}$.

Where Y= Strategic Planning

X_1 = Resources; X_2 = Top Management Attention; X_3 = business life cycle; X_4 = environment turbulence.

Commercial banks in Kenya have a positive and statistically significant relationship between resources and strategic planning (β=.192, p=.002). A further analysis of the data showed a positive and statistically significant correlation (β=.204, p=.000) between the level of focus given to strategic planning by top management and the performance of commercial banks in Kenya. Further analysis revealed a favorable and statistically significant relationship (β=.188, p=.001) between the stages of a company's life cycle and strategic planning at Kenya's commercial banks. Last but not least, the data demonstrated a positive and statistically insignificant (β=.036, p=.503) relationship between environmental turbulence and strategy planning in Kenya's commercial banks. The findings corroborate those of Dzombo et al. (2017), who found a connection between strategic planning in Kenya's banking sectors and factors like resource availability, top management attention, business life cycle, and environmental volatility.

4.9 Model Summary

Table 4. 15

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.692[a]	.671	.095	.16572

a. Predictors: (Constant), Resources, Top Management Attention, Business Life Cycle and Environment Turbulence

It is the proportion of the total variation in the dependent variable that can be accounted for by the independent variables either alone or in combination, and it is denoted by the value R^2. Table 4.2 displays the calculated value of the coefficient of determination, R^2, which was determined to be 0.671. This conveys the fact that the four independent variables in this study explain 67.1% of the factors impacting strategic planning in commercial Banks of Kenya (Resources, Top management attention, Business Life Cycle and Environmental Turbulence). The remaining 32.9% of the strategic planning in commercial Banks of Kenya are accounted for by factors beyond the scope of the model. In the summarized model, the association between the anticipated and observed values is represented by the "R" value. The analysis revealed a "R" value of.692, which indicates a 0.692 correlation between the model's predicted values and the data.

The Analysis of Variance (ANOVA)

The analysis of variance results Table 4.15 indicates that the model fit is significant at p=0.005[b], F=25.797 with 89 degrees of freedom. This implies that resources, top management attention, business life cycle and environment turbulence jointly have a significant and positive combined effect on strategic planning in commercial Banks of Kenya.

Table 4.16

Test for the ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	.667	4	.167	5.797	0.001[b]
1	Residual	17.789	85	.209		
	Total	18.456	89			

a. Dependent Variable: Strategic Planning

b. Predictors: (Constant), Resources, Top Management Attention, Business Life Cycle and Environment Turbulence

ANOVA results on the impact on resources, top management attention, company life cycle, and environmental turbulence on strategic planning in Kenyan commercial banks are shown in Table 4.15. P-value for this study is .001, which is significantly lower than the threshold of significance (p=.05). This revealed that the model's discussion of the impact of resources, top management attention, the company life cycle, and environmental volatility on strategic planning in commercial banks in Kenya was statistically significant

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

The findings of the study are summarized, and a conclusion and suggestions for future research are offered, all in this section. The resources, top management attention, business life cycle and environment turbulence.

5.2 Summary of the Findings

A primary purpose of the research was to analyze how financial resources influence strategic planning at commercial banks in Kenya. The correlation analysis revealed a favorable and statistically significant connection between commercial banks in Kenya's use of resources and their strategic planning processes. The sources of strategic planning in Kenyan commercial banks were shown to have a positive and substantial regression relationship. With all else being equal, this suggests that a one-unit increase in resources improves strategic planning in Kenya's commercial banks by 0.192-units. The analysis of variance showed that resources (P value.001) play a major role in determining strategy planning in commercial banks in Kenya at the 5% level of significance.

The second purpose of the research was to learn how much weight top-level management gives to strategic planning in Kenya's commercial banks. Strategic planning received good and significant attention from senior management, according to a correlation analysis of data from commercial banks in Kenya. The strategic planning process and the focus of senior management in Kenya's commercial banks were found to have a positive and statistically significant relationship in the regression analysis. So, if we hold all else constant, we find that a 1% increase in the focus of Kenya's C-suite on strategic planning leads to a 2% increase in the effectiveness of such plans at Kenya's commercial banks. For the 5% level of significance, the ANOVA results show that the focus of top management (P-value.000) is a significant factor in determining strategic planning at commercial banks in Kenya.

Third, we wanted to see how much of an impact the company life cycle has on strategic planning at Kenya's commercial banks. A favorable and statistically significant correlation was found between the stages of the company life cycle and the use of strategic planning by Kenya's commercial banks. Business life cycle and strategic planning in Kenya's commercial banks were found to have a positive, statistically significant relationship in a multiple regression analysis. Keeping all else equal, this suggests that a one-unit increase in knowledge of the company life cycle leads to a 0.183-unit increase in strategic planning at Kenya's commercial banks. Since all of these P-values are smaller than.05, the ANOVA results show that company life cycle is a significant factor in determining strategic planning at Kenya's commercial banks.

The research aimed to determine how environmental uncertainty affected strategic planning at Kenya's commercial banks, which brought us to our fourth and final aim. The results of a correlation analysis showed a positive and statistically significant connection between environmental uncertainty and strategic planning at Kenya's commercial banks. The results of a multiple regression analysis showed a positive and substantial relationship between environmental uncertainty and strategic planning at Kenya's commercial banks. Strategic planning in Kenya's commercial banks improves by 0.036 units for every unit increase in environmental turbulence, assuming all other parameters remain the same. The analysis of variance results showed that environmental uncertainty (P value.188) is a significant factor in affecting strategic planning in Kenya's commercial banks at the 5% level of significance.

5.3 Concussions

Based on the above findings, it therefore leads into several conclusions. In line with the first objective which was to determine the effect of resources on strategic planning in commercial Banks of Kenya. The study revealed that there existed a positive and significant relationship between resources and strategic planning in commercial Banks of Kenya. It can therefore be concluded that the commercial banks top managers' strategic ambitions outstrip the resources they are willing or able to allocate to attain their goals. The study also concluded that at commercial banks, the available financial resources are allocated appropriately. The study concluded that commercial bank managers have maintained a high level of deposit accounts relative to other assets. Further, it can be concluded that commercial banks have adequate human resources for their business operations. Lastly, concluded that commercial bank managers can get valuable business-related information from various business connections.

The study sought to determine the influence of top management attention on strategic planning in commercial Banks of Kenya. The study revealed the existence of positive and significant relationship between top management attention and strategic planning in commercial Banks of Kenya. The study therefore concluded that ccommercial bank managers always ensured that suitable courses of action are designed after evaluating alternative measures. It also concluded that manager act if the issues that attract their attention are more critical. Further in the study concluded that managers always pay attention to issues determined in the goals, tasks, and demands of their job. Lastly the study concluded that managers always ensure that jobs are shared amongst team members in the department/directorate/ division.

The study sought to evaluate the influence of the business life cycle on strategic planning in commercial Banks of Kenya. The study found a positive and significant relationship between business life cycle and strategic planning in commercial Banks of Kenya. The study therefore concluded that some commercial banks are experiencing limited resources to serve a growing customer demand. It also concluded that that most of their sales are to existing customers. It further concluded that there is a need for commercial banks to acquire resources to extend their services to more customers. Lastly, the study concluded that banks are innovating around their existing products.

The study sought to assess the effects of environment turbulence on strategic planning in commercial Banks of Kenya. The study revealed a positive and significant and positive relationship between environment turbulence and strategic planning in commercial Banks of Kenya. The study therefore concluded that external business environment has become more unpredictable in the banking institutions. The study also concluded that managers continually change their internal processes to ensure that they keep pace with the business demands. The study concluded that managers can anticipate the political impact on their business. Further, the study concluded that the banking branches had a working rotation team during the Covid-19 pandemic to mitigate infection and ensure a business continuity plan. Lastly, study concluded that managers do not expect any changes in the regulatory environment concerning their business operations.

5.4 Recommendation

From the findings of the research study, the researcher makes the following recommendations; Banks need to utilize the financial resources in a resourceful manner. This will help in ensuring that the misappropriation of funds is minimized and that their strategic plans are well formulated and implemented. Banks should also increase their human resource base to ensure enough human resources to do the necessary tasks. The banks should to improve their top management decision-making strategies - their cognition/ attention to environmental cues and use these to improve their decision making to positively impact performance. Most organizations are aware of their internal environment; they have managed their weaknesses and utilized their strengths. However, it is also vital for organizations to pay more attention to the external environment, such as the Covid-19 pandemic. Coming up with working shifts at all times will help with business continuity. In particular, the capacity of top managers to comprehend external environment should be enhanced.

5.5 Areas of Further Research

The focus of this study was on assessment of the factors influencing strategic planning in banking industry with focus on commercial banks of Kenya. As a result, the study suggests that more studies be done on the on assessment of the factors influencing strategic planning in the financial sectors in the counties.

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APPENDICES

Appendix 1: Research Questionnaire

You are requested to answer all questions in this research study questionnaire. The information provided shall be treated with confidentiality and will be used purposely for this study. This study aims at determining "***Assessment of the Factors influencing Strategic Planning in Banking Industry".*** In this regard, I am kindly requesting for your support in terms of time, and by responding to the attached questionnaire.

NB: Do not write your name on this questionnaire

Section A: Background Information

Please tick where appropriate [√]

1. Gender of the respondent

Male [ ] Female [ ]

2. Age of the respondent

18 – 25 years [ ] 26-30 years [ ]

34 35 years [ ] Above 35 years [ ]

3. Highest level of education

Diploma [ ] Undergraduate degree [ ]

Master's degree [ ] PhD. [ ]

4. Length of service at the Mission Hospital

0 - 2 years [ ] 3 -5 years [ ]

6 -10 years [ ] 11 years and above [ ]

SECTION B: Factors Influencing Strategic Planning

Use the Likert scale to indicate your level of agreement on the opinions in the box below. 1 = Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= strongly agree

Part A: Resources

6. Please use the point scale below to indicate your level of agreement 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
1	Top managers' strategic ambitions outstrip the resources they are willing or able to allocate to attain their goals.					
2	Available financial resources are allocated appropriately.					
3	We have maintained a high level of deposit accounts relative to other assets.					
4	We have adequate human resources for our business operations.					
5	We can get valuable business-related information from various business connections.					

Part B: Top management cognition

7. Please use the point scale below to indicate your level of agreement 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
1	I ensure that suitable courses of action are designed after evaluating alternative measures.					
2	I only act on issues that attract my attention, are more critical, and are readily available to me.					
3	I pay attention to issues determined in the goals, tasks, and demands of my job.					
4	I ensure that jobs are shared amongst team members in the Department/Directorate/Division.					

Part C: Business Life Cycle

8. Please use the point scale below to indicate your level of agreement 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
1	Our bank is experiencing limited resources to serve a growing customer demand.					
2	Most of our sales are to existing customers.					
3	We are diversifying into other lines of products.					
4	There is a need for our bank to acquire resources to extend our services to more customers.					
5	We are innovating around our existing products.					

Part E: Environment turbulence

Please use the point scale below to indicate your level of agreement 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
1	Our external business environment has become more unpredictable in the last year.					
2	We continually change our internal processes to ensure that we keep pace with the business demands.					
3	We consistently keep pace with the demands of our various stakeholders.					
4	We can anticipate the political impact on our business for the next one to two years					
5	The branches have a working rotation team during the Covid-19 pandemic to mitigate infection and ensure a business continuity plan					
6	We do not expect any changes in the regulatory environment concerning our business operations					

Part F: Strategic planning

Please use the point scale below to indicate your level of agreement 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
1	We thoroughly assess our internal business environment.					
2	We thoroughly assess our external business environment.					
3	We develop strategies and action plans for each strategy					
4	When carrying out strategic planning, we perform internal environment analysis					
5	We analyze opportunities in the market in which we operate when carrying out strategic planning.					
6	We take into account the threats that face our business when developing our strategic plan.					

Thank you for your Assistance

Appendix II: Introduction Letter

Kenya Methodist University

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Fax:(+254-064) 30162
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April 11 , 2018

Executive Secretary

National Council for Science and Technology

P.O Box 30623 – 00100

NAIROBI

Dear Sir/ Madam,

RE: PATRICIA SYOKAU M. – BUS-3-4222-3/2014

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

Patricia is undertaking a research study on "**Assessment of Factors Influencing Strategic Planning in the Banking Industry in Kenya**". To successfully complete her research work, she requires relevant data in her area of study.

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

We thank you in advance for your cooperation.

Yours faithfully

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

KENYA METHODIST UNIVERSITY
Dean
12 APR 2018
BOARD OF POSTGRADUATE STUDIES

Nairobi Campus:Koinange Street, P.O Box 45240-000100 Nairobi – Tel. +254-20-2118443/2248172/2247987/0725-751878, Fax +254-20-2248160, Email:nairobicampus@kemu.ac.ke

Appendix II: Research Permit

THIS IS TO CERTIFY THAT:
PATRICIA SYOKAU MUSYOKI
of KENYA METHODIST UNIVERSITY,
P.O.BOX 267-602000 MERU
has been permitted to conduct research in *Nairobi County*

on the topic: ***ASSESSMENT OF FACTORS INFLUENCING STRATEGIC PLANNING IN THE BANKING INDUSTRY IN KENYA.***

for the period ending:
14th May, 2019.

Applicant's Signature

Permit No : NACOSTI/P/18/57577/24598
Date of Issue: 7th May, 2018
Fee Received : Ksh 1000

Director General
National Commission for Science, Technology & Innovation

CONDITIONS

1. The License is valid for the proposed research, research site specified period.
2. Both the License and any rights there under are non-transferable.
3. Upon request of the Commission, the Licensee shall submit a progress report.
4. The Licensee shall report to the County Director of Education and County Governor ID the area of research before commencement of the research.
5. Excavation, filming and collection of specimens are subject to further permissions from relevant Government agencies.
6. This License does not give authority to transfer research materials.
7. The Licensee shall submit two (2) hard copies and upload a soft copy of their final report.
8. The Commission reserves the right to modify the conditions of this License including its cancellation without prior notice.

REPUBLIC OF KENYA

NACOSTI

National Commission for Science, Technology and Innovation

RESEARCH CLEARANCE PERMIT

Serial No.A 19872

CONDITIONS: see back page

Appendix IV List of commercial Banks of Kenya

1	African Banking Corporation Ltd
2	Bank of Africa Kenya Ltd
3	Bank of Baroda Ltd
4	Bank of India
5	Barclays Bank of Kenya Ltd
6	CFC Stanbic Bank Ltd
7	Charterhouse Bank Ltd.
8	Citibank
9	Commercial Bank Ltd
10	Commercial Bank of Africa Ltd
11	Consolidated Bank of Kenya Ltd
12	Co-operative Bank of Kenya Ltd
13	Credit Bank Ltd
14	Development Bank of Kenya Ltd
15	Diamond Trust Bank Kenya Ltd
16	Dubai Bank Ltd
17	Eco bank Ltd
18	Equatorial Bank Ltd
19	Equity Bank Ltd
20	Family Bank Ltd
21	Fidelity Commercial Bank Ltd
22	Fina Bank Ltd
23	First Community Bank Ltd
24	Gulf African Bank Ltd
25	Sidian Bank
26	Habib Bank Ltd
27	Housing Finance Co. of Kenya Ltd
28	I & M Bank Ltd
29	Kenya Commercial Bank Ltd
30	K-Rep Bank Ltd
31	Middle East Bank Ltd
32	National Bank of Kenya Ltd
33	NIC Bank Ltd
34	Oriental Commercial Bank Ltd
35	Paramount Universal Bank Ltd
36	Prime Bank Ltd
37	Standard Chartered Bank Ltd
38	Transnational Bank Ltd
39	UBA Bank Ltd
40	Victoria Commercial Bank Ltd
41	Jamii Bora Bank Ltd
42	SBM Bank Kenya