

**ROLE OF DIGITAL BANKING STRATEGY IN MANPOWER COST WITHIN THE  
BANKING INDUSTRY IN KENYA: A CASE OF KCB BANK**

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## **ABSTRACT**

Digital banking offers customers an easy access to financial services by minimizing time and distance to the nearest retail bank branches associated with traditional banking. Digital banking has been beneficial to both the banks and customers as it reduces the banks overheads and transaction related costs and it's convenient and cheap as lesser fees are charged on digital transactions. The purpose of this study was to establish the role of digital banking strategies on manpower cost at Kenya Commercial Bank head office, Nairobi. The general objective of the study was to establish the role of digital customer strategy on manpower cost, to examine the role of digital enterprise strategy on manpower cost and to determine the role of digital operational strategy on manpower cost at Kenya Commercial Bank head office Nairobi. This study adopted a descriptive research design; with a target population of 200 employees of Kenya Commercial Bank head office, Nairobi. A combination of both simple and stratified sampling method will be used to select 133 respondents. Collection of data was done through drafted questionnaire and analysis was done via the use of statistical package of social sciences (SPSS version 21). Correlated variables connection between the existing variables. The found that digital banking strategy, digital customer strategy and digital enterprise strategy influenced man power cost since the correlation coefficient between the variables was positive. The study found there is improved management decisions exist due to digitization in the organization. Through digitization, organization is able to analyze and report on processes, organization has the ability to drive teamwork across time, and organization only recruits reliable employees familiar with digital operations. The study concludes that digitization has increased efficiency and reduced training costs and this reduces the wage bill since the banks have automated their recruitment process. The study further recommends that all commercial banks should embrace digitization through adoption of improved technology for information security which will reduce the man power cost.