

**EFFECTS OF STRATEGIC MANAGEMENT PRACTICES ON ORGANIZATIONAL
PERFORMANCE OF BANKS IN KENYA. A CASE OF KENYA COMMERCIAL BANK**

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ABSTRACT

In the current contemporary business environment, organizations are facing more challenges than opportunities. Strategic management practice has been continuously evolving, with the day to day changes in the business environment in Kenya. This study aimed at examining the effects of strategic management practices on performance of commercial banks in Kenya. The study aimed at looking at the effects of strategic customer relationship management, strategic planning, strategic organizational analysis and strategic control on commercial bank performance. In literature review, the study focused on stakeholders' theory and resource based theory. In research methodology, the study adopted descriptive research design where a target population of 157 was retrieved from strategic management, marketing, IT, human resource, international relations, finance, operations, research and development, public relations, and the legal and compliance department in KCB. The sample size of the study was made up of 111 respondents. The researcher used questionnaires as data collection tool. The reliability of the questionnaire was conducted using Cronbach's Alpha. Out of the 111 questionnaires the researcher received 102 responses, which translated to 92% of the sample size. The data analysis was conducted using SPSS. The study presented both descriptive and inferential statistics, where the descriptive statistics; mean, standard deviation, frequencies and percentages were computed. The inferential statistics; correlation and regression analysis, linearity and multicollinearity were drawn. Data analysed was then presented through tables. The descriptive and inferential statistics on the effects of strategic management practices on organizational performance of banks in Kenya were interpreted and conclusions presented. The results of the study revealed a positive and significant relationship between customer relationship management, strategic planning, strategic organizational analysis, strategic control and organizational performance of banks in Kenya. It was then concluded that there is need for banks and organizations as a whole to embrace strategic management practices in order to enhance their organizational performance, with a major emphasis on strategic planning. The study recommended the Kenya Commercial Bank and organizations in general, should embrace the use of strategic management practices as a tool and a concept to be used in achieving organizational performance.