

**INFLUENCE OF MCKINSEY'S 7S FRAMEWORK ON ORGANIZATIONAL
EXCELLENCE OF DEVELOPMENT BANKS IN KENYA: A CASE STUDY
OF PTA BANK**

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15M03DMBA036**

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the Degree of Master of Strategic Management in the Department of Business
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DECLARATION

I declare that this document and the research that it describes are my original work and that they have not been presented in any other university for academic work.

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This research was conducted under our supervision and is submitted with our approval as university supervisors.

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EXAMINERS' SIGNATURES

We have examined this document and the research has met or exceeded the requirement for the degree sought, in addition, the candidate has sufficiently defended the material presented to merit the awarding of the degree of Strategic Management.

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Date

Notes: (Pass, Pass with Distinction)

DEDICATION

I thank God for giving me strength and resilience for His grace as I embarked on this journey. I also thank my husband Vincent, my sons Eddie and Ian, without whose invaluable support this would not have been possible and to the memory of my loving parents Edward and Jane who inspired and encouraged me to always work hard.

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TABLE OF CONTENTS

DECLARATION.....	ii
EXAMINERS SIGNATURES.....	iii
DEDICATION.....	iv
ACKNOWLEDGEMENTS.....	v
TABALE OF CONTENTS.....	vi
LIST OF TABLES.....	x
LIST OF FIGURES.....	xi
ABSTRACT.....	xii
DEFINITION OF TERMS.....	xiii
ABBREVIATIONS AND ACRONYMS.....	xiv
 CHAPTER ONE	
INTRODUCTION	
1.1 Introduction.....	1
1.2 Background of the Study.....	1
1.2.1 The Concept of Strategy.....	4
1.2.2 Strategic Management Practices.....	5
1.2.3 The Organizational Excellence.....	6
1.2.4 The Kenyan Banking Sector.....	8
1.2.5 PTA Bank.....	9
1.3 Statement of the Problem.....	10
1.4 Purpose of the Study.....	11
1.5 Objectives of the Study.....	12
1.6 Research Questions.....	16
1.7 Significance of the Study.....	14
1.8 Scope of the Study.....	14
1.9 Delimitation of the Study.....	15

1.10	Limitations of the Study.....	15
1.11	Assumptions of the Study.....	16
1.12	Theoretical Framework.....	16
	1.12.1 Porter’s Theory of Competitive Advantage.....	16
	1.12.2 The Resource – Based View Theory.....	18
	1.12.3 The Open System Theory.....	19
1.13	Conceptual Framework.....	20

CHAPTER TWO

LITERATURE REVIEW

2.1	Introduction.....	22
2.2	Review of Literature.....	22
	2.2.1 Strategy Factor and Organizational Excellence.....	25
	2.2.2 Structure Factor and Organizational Excellence.....	26
	2.2.3 Systems Factor and Organizational Excellence.....	27
	2.2.4 Style Factor and Organizational Excellence.....	28
	2.2.5 Staff Factor and Organizational Excellence.....	28
	2.2.6 Shared Value and Organizational Excellence.....	28
	2.2.7 Skills Factor and Organizational Excellence.....	29
2.3	Summary and Research Gap.....	30

CHAPTER THREE

RESEARCH METHODOLOGY

3.1	Introduction.....	33
3.2	Research Design.....	33
3.3	Research Site.....	34
3.4	Target Population.....	34
3.5	Study Sample.....	35

3.5.1	Study Sample Size.....	35
3.5.2	Sampling Procedure.....	36
3.6	Data Collection	
3.6.1	Data Collection Instruments.....	37
3.6.2	Pilot Testing of Research Instruments.....	37
3.6.3	Instrument Reliability.....	38
3.6.4	Instrument Validity.....	38
3.6.5	Data Collection Procedure.....	38
3.7	Data Analysis.....	39
3.8	Legal and Ethical Considerations.....	40
CHAPTER FOUR		
DATA ANALYSIS AND FINDINGS		
4.1	Introduction.....	41
4.2	Response Rate.....	42
4.3	Presentation of Research Analysis and Findings.....	42
CHAPTER FIVE		
DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS		
5.1	Introduction.....	59
5.2	Discussions.....	59
5.3	Summary of Main Findings.....	63
5.4	Conclusions.....	64
5.5	Recommendations.....	65
5.6	Areas of Further Research.....	67
REFERENCES.....		68
APPENDICES.....		72
Appendix 1 – Questionnaires.....		72

Appendix 2 – Research Permits.....	78
Appendix 3 – Research Approvals and Letters.....	79
Appendix 4 – Map of Study Area.....	80

LIST OF TABLES

Table: 3.1	Target Population.....	35
Table: 4.1	Response Rate	41
Table: 4.2	Structure Factor on Organizational Excellence at PTA Bank....	45
Table 4.3	Strategy Factor on Organizational Excellence at PTA Bank....	47
Table 4.4	Share Value on Organizational Excellence at PTA Bank.....	50
Table 4.5	System Factor on Organizational Excellence at PTA Bank.....	52
Table 4.6	Style Factor on Organizational Excellence at PTA Bank.....	54
Table 4.7	Staff Factor on Organizational Excellence at PTA Bank.....	56
Table 4.8	Skills Factor on Organizational Excellence at PTA Bank....	58

LIST OF FIGURES

Figure 1.1: Conceptual Framework.....	21
Figure 4.1: Gender of the Respondents.....	42
Figure 4.2: Age Bracket.....	43

ABSTRACT

In achieving organizational excellence employers and employees need to work together in order to achieve the bank's overall strategic goals. This research sought to determine the influence of Mckinsey's 7s model on organizational excellence of Development banks in Kenya particularly the PTA bank. The Mckinsey's 7s includes strategy, staff, style, skills, shared values, structure and systems and how they objectively affect the organizational success of the PTA bank. It is a model that holistically and effectively organized the development banks in Kenya. Together these factors determined the way the bank operated. It required people, skills and proper communication channels to increase profits and growth of the bank. The research study was a detailed process of application of each of the seven elements at the PTA Bank. The study adopted descriptive research design to adequately describe the variable of the study. The targeted population of the study was 130 employees from various department of PTA bank. A simple random sampling was used to conducted to eventually arrive at a sample size of 97 respondents. The researcher collected primary data by use questionnaires as tool of the study. Questionnaires would be used as the research tool piloted and determined their validity and reliability.

This abstract is for the proposal

DEFINITION OF TERMS

Business Strategy: is the plan that governs how an organization defines its competitive position (Jolkas, 2015).

Mckinsey's 7S framework refers to a powerful and effective management tool that is useful for organization to adequately understand internal environment and to determine the way operations can be done in more effective and efficient manner (Atwater, 2013).

Objectives: Are general aims of the organization that are in line with its mission (Atwater, 2013).

Organizational Success: is premised on the idea that organizations/businesses are associations that use both human and non-human assets such as technology and capital to achieve their intended goals (Hanafizadeh & Ravasan, 2011).

Stakeholders: Are the various people or groups that have a stake in the organization or are interested in its operations (Ikinci, 2014).

Strategic planning: Process undertaken by an organization to clarify its overall organizational purpose, priorities to work toward that purpose and how each priority will be addressed (Barata, 2012).

Strategic thinking: Is the process of finding ways an organization can use to position itself in vantage point given the prevailing external and internal environmental factors (Bender, 2014).

ABBREVIATIONS AND ACRONYMS

AFB	: African Development Bank
AGD	: African Guarantee Fund
CBK	: Central Bank of Kenya
COMESA	: Common Market for Eastern and Southern Africa
DFIs	: Development financial institutions
GDP	: Gross domestic product
HRM	: Human Resource Management
R&D	: Research and Development
RBV	: Resource-Based View
SMEs	: Small and Medium Enterprises
TDB	: Trade and Development Bank

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter introduces the topic of study to the readers. It acts as the general roadmap for the entire study. It explores the relevant concepts under the McKinsey Framework that underpins the study. Most importantly, it prepares readers on the process and methods that the study used to achieve its objectives. In addition, this chapter addressed the background of the study, the statement of the problem, the purpose of the study, the objectives of the study, the research questions and significance of the study, the scope of the study, the limitation and delimitation of the study. The chapter also included the assumption and the conceptual framework of the study.

1.2 Background of the Study

Today's business environment is very dynamic hence there has been a great need for an organization to keenly understand the environments that surrounds business environment (Bruton, 2014). Remaining successful, an organization requires to have a clear direction and a means that facilitate the achievement of its business goals within the stipulated time period. It is only through a well formulated and implemented strategy that a company can achieve its objectives. Objectives are general aims of the organization that are in line with its mission (Atwater, 2013). Strategies should flexible enough to adapt to both internal and external environmental changes.

Organizations around the globe have relied on the Mckinsey's 7S framework to facilitate achievement of the goals of the organization. According to Atwater (2013)

holds that “McKinsey’s 7S framework refers to a powerful and effective management tool that is useful for organization to adequately understand internal environment and to determine the manner in which operations can be done in more effective and efficient manner” (p.89). McKinsey’s 7S framework is made up of structure, strategy, systems, style, staff, skill and shared values. Companies in the global arena, have faced competition from within and without the organization hence the concern is to adequately ensure the organizations to tackle all this. Organizations that lack alignment cannot go forward because the different parts pull in different directions. Not all parts or department respond when change is expected for survival and profitability, which leads to failure (Crew, 2016). If not checked on time, the operations may worsen leading to endless customer complaints and employees’ dissatisfaction which would contribute to organizational failure. When an organization comes to this point, a good manager may want to correct things and put them back in place by being hands on and instituting changes. However, the truth is that the small changes may see the organization surviving but no prosperous or the organization will be crossing the financial years on its knees with much difficulty.

An organization may have the best strategies in place. However, if its elements are not aligned, it is bound to fail (Chakrabarti, 2014). Optimal performance of organizations requires a balance between strategy and internal factors and dynamics. What encompasses the realm of this study is Manning’s view of effective strategy. Manning (1998) insists that at the heart of effective strategy is unquestionable integrity. He posits that for any strategy to succeed, the management must be committed to every part of its implementation. Manning’s view is crucial to this study because the study intends to establish the effectiveness of McKinsey’s 7S in helping PTA Bank achieve

its objectives. By so doing, the study will help establish whether the bank has been effective in instituting changes to align it with the strategies under the framework that contribute to organizational success. It is assumed that the effectiveness of the bank to adapt to changes is an indication of its ability to succeed in the dynamic business environment.

The McKinsey 7S's is made up of seven factors: Strategy, Structure and Systems, Style, Staff, Skills and Shared values (Keller, 2016). As part of this study, the systems, design and mechanisms of the bank will be examined as a means of establishing how they influence and motivate employees. The core of the study will, however, be strategy as it helps determine how plans are executed and how effective the execution is. Strategy usage is meant to ensure the benefit or welfare of the stakeholders of the business. Stakeholders are the various people or groups that have a stake in the organization or are interested in its operations (Bruton, 2014).

The work of running organizations has changed a great deal. Unlike in the past where traditional models worked a great deal, the present business environment requires complex hybrid designs. Sometimes it requires using designs from different sectors to help mitigate unforeseen challenges. Handling unforeseen challenges requires adapting. But adaption is only effective and meaningful when executed quickly, seamlessly, and accurately (Barata, 2012). Desired change can only be achieved when all stakeholders, especially employees, are fully involved. Employees must be considered as partners if change is to be effective. Even though machines have taken up many jobs, humans are irreplaceable in the work environment and must be fully involved in the management process.

Organizations take different paths in instituting changes in their operations in line with their general and specific agendas (Cox, 2011). This is due to the fact that organizations have different objectives and rank the importance of various operational elements differently. Even though all banks in Kenya have adopted the McKinsey 7S's framework, it cannot be denied that each bank has been putting emphasis on some elements more than the others depending on their objectives and needs. This study will attempt to establish whether the elements emphasized by PTA have enabled it to be more efficient or not. Efficiency in this case will be a matter of outputs against inputs while effectiveness will constitute the correspondence between desired output and the real output (Bender, 2014).

1.2.1 The Concept of Strategy.

According to Gill (2014), “a business strategy is the means by which it sets out to achieve its desired objectives.” (p.72). Yang (2014) adds that strategy is all about sets of action put in motion to help steer an organization towards a desired direction at a desired pace. Various studies on strategy suggest that an organization can have either a single strategy or several strategies that work together towards achieving the same ultimate objective. Strategies can exist at three different levels within an organization: corporate, business unit and functional level.

Business strategy is the overall plan that governs how an organization defines its competitive position (Jolkas, 2015). A good example of this is a decision by an organization to produce unrivalled quality or low quality at the most affordable prices. The implementation of business strategies is done through the major departments such as HRM, finance, and marketing. Functional strategies are the short-term strategies

that are adapted to bridge operational deficiencies within different functional areas. According to Prosci, “Functional business strategy is an area of operational management based on a specific department or discipline within an organization, such as human resources, finance or marketing.” (2017, p.26). functional strategies are effectively executed and implemented in order to facilitate the organization to meet its long-term and short-term goals of the organization.

Corporate Strategy takes a portfolio approach to strategic decision making by looking across all of a firm’s businesses to determine how to create the most value (Bender, 2014). In order to develop a corporate strategy, firms must look at how the various business they own fit together, how they impact each other, and how the parent company is structured in order to optimize human capital, processes, and governance. Corporate strategy ensures that all organizational resources are allocated with great priority.

1.2.2. Strategic Management Practices

According to Boyle (2013), “Strategic management is the continuous planning, monitoring, analysis and assessment of all that is necessary for an organization to meet its goals and objectives.” (p. 56). It is an ongoing process that actively assesses the business environment and put in place adaptive schemes for coping and excelling. It constantly scans competitors’ activities and sets goals to counter any move that may be a threat to the organization. After the implementation of a new strategy, it regularly assesses it to find out if it is meeting its intended purpose or needs either replacement or adjustment. The continuous assessment of new strategies is prompted by the fact that a small change in technology, the arrival of a new competitor, changes in an organization’s economic environment, and a shift in customers’ social, financial, or political environment can easily render an organization

irrelevant in no time. Strategic management practices facilitate enhancement of strategic thinking that facilitate ensures the growth and development of the organization. Strategic thinking is the process of finding ways an organization can use to position itself in vantage point given the prevailing external and internal environmental factors (Bender, 2014). Strategic thinking within and without the organization facilitate the achievement of both short-term and long-term objectives within the stipulated time period through enhanced innovation and creativity.

Strategic management seeks to satisfy shareholders interest by maximizing profits while at the same time taking care of the interest of other stakeholders such as employees and customers. Studies that have attempted to link business strategies to organizational performances are available in plenty (Aragon, Jimenez, & Valle, 2014). According to these studies, there are common key success factors that are associated with high performance in organizations. Some of these factors include new technological advancements, quality customer service, quality products, and new market frontiers. Strategy usage aids in strategic planning that facilitate the considerations of all the objectives of the organization. Strategic planning is process undertaken by an organization to clarify its overall organizational purpose, priorities to work toward that purpose and how each priority will be addressed (Barata, 2012).

1.2.3. The Organizational Excellence

Organizational performance, as a term, can be use in three timeframes at translate to gauging the levels of transactions of the organization (Lynch, 2017). It can be used to refer to activities in the past that have yielded an outcome already. It can also be used to refer to current undertakings that are aimed at yielding a desired

outcome. It can also refer to new ideas that will be employed for future growth. Profitability of an organization is often used as its greatest performance indicator. The truth, however, is that profitability is not the actual performance. An organization may be less profitable but with high performance. A firm's performance is pegged on indicators of effectiveness and efficiency (Boyle, 2013). Some of these indicators may include compliance to laid down regulatory rules, turnaround time, productivity, and waste management.

Performance in service delivery may also entail how customers' complaints are handled and how customer care representatives are knowledgeable about the products and services offered. In fact, according to Venkatraman & Ramanujam (1986) organizational performance encompasses all strategies and operations of an organization. Strategic plans are developed from performance measurements to help complete various objectives.

Organizational success is premised on the idea that organizations/businesses are associations that use both human and non-human assets such as technology and capital to achieve their intended goals (Hanafizadeh & Ravasan, 2011). There are three main goals that organizations thrive to achieve: (i) Market performance. This includes the sale a company makes which may also translate to the organization's market share; (ii) financial performance. This includes profits made, return on investment and other financial ratios and indicators ;(iii) shareholder return. This includes the returns shareholders get from their investments in the company. Earnings per share and such indicators are crucial here. The overall success of any organization

is not only dependent on how much money it makes, it is also dependent on how well it takes care of its employees' welfare and the environment.

1.2.4 The Kenyan Banking Sector

World economies are driven by the banking industry. The banking industry provides a wonderful structure that brings together both savers and borrowers and facilitates money transfer between countries, which has led to flexibility in conducting international businesses (Kiriga, 2015). The Kenyan banks have been providing these services for decades now. Kenya has both private and public banks working under the close supervision of the Central Bank of Kenya (CBK). The last two decades have seen the Kenyan banking sector facing sustained turbulences in its operations. The major causes of these waves of turbulences have been political interference, lack of proper regulation, frequent changes in operational laws, and lack of financial inclusion. The last 5 years, for instance, have seen Kenyan banks registering slow economic growth of 3-6%. This is against the government's projection of 6-8%. CBK's active intervention in the market has seen the Kenyan shilling trading fairly against the dollar in the same period, which has cushioned the banks against more losses (Maru, 2015).

Even though most banks have not been doing well, the performance is not the same across the block (Gill, 2014). According to Marambii, the CEO Bank of African Kenya, second-tier banks continue to wrestle out large banks in the control of market shares, with the share of deposits increasing particularly for medium banks and declining for large banks. Niche banks have been performing better in the country and offering customers more options than before. The country is now more open to

banking and the population is enjoying closer banking services. In fact, banking services are within 5kms to customers in all parts of the country. This has been enabled by the introduction of agency banking services. There are more than 35,000 agents countrywide serving different banks. The explosive *Mpesa* service has also made banking more accessible in the country. The platform is estimated to enable the transfer of over 15 billion shillings per day (Githinji, 2013).

The success of the banking sector is dependent on stability, access, and efficiency. The past post-election violence interfered with many banks' operations and led to huge losses. The political tension witnessed in the past election was also a huge setback. Some banks are still struggling with accessibility issues as well. PTA, for instance, has only one branch in Kenya. The banks only way of maximizing its profits is through making its operations efficient. That forms the basis of this study.

1.2.5 PTA Bank

According to the bank's website, "The Eastern and Southern African Trade and Development Bank, known more commonly as TDB, and previously PTA Bank, is a specialized African regional financial institution established in 1985 that provides short, medium and long term financing, across a wide set of sectors, both private and public sector clients, on sustainable and commercial principles. The bank provides various types of credit and guarantees, such as letters of credit, trade loans, and term loans, including agency backed loans, in various development sectors, with preference, where feasible, for transactions that have high levels of development impact and positive cross-border effects, including transactions that enhance the connectivity and complementarities of Member States. Equity financing is considered

very selectively on a case by case while other services provided include funds/asset management, advisory, and agency services (Githinji, 2013).

TDB is a treaty-based, specialist regional multilateral development bank (MDB) that is investment grade, profitable and dividend paying. It operates on both market and sustainability principles, and does not offer concessional finance, as it is not a donor funded institution. Established by the Common Market for Eastern and Southern Africa (COMESA), it is owned by 23 sovereigns, mainly from eastern and southern Africa, both COMESA and non-COMESA sovereigns, as well as non-African sovereigns and institutional shareholders such as international financial institutions, pension funds and insurance companies.”

1.3 Statement of the Problem

Implementing a strategy means putting an organization’s resources into optimal use while at the same time getting the best out of its employees (Jack, 2003). Most organizations in relevant industries around the globe have relied on execution and implementation of McKinsey 7s framework to better their performance. The level of competitiveness in the Kenyan banking sector means that any bank that is to prosper must put in place great strategies and follow them through to the implementation stage. The adoption of the McKinsey model by PTA bank is a clear indication of the bank’s desire to get the best from its resources and employees (Waweru & Kalani, 2017). Despite the adoption of McKinsey model by PTA, has still faced challenges in its implementation that in results affected the performance of the bank. This is as a result of stiff competition in the banking sector that success of PTA in the Kenyan banking industry.

Several studies carried out in the past have shown that the McKinsey model can prove effective in improving organizational performance if well used (Jolkas, 2015; Maru, 2015; Musyoka, 2016). A study by Njeru, Awino and Adwet (2017) showed that McKinsey framework is an excellent tool when expanding and facilitating supermarket operations in Nairobi. Nejad, Behbodi and Ravanfar (2014) showed that the Mckinsey's framework is effective and plays key part in the performance of firms in Queshm. PTA has adopted various strategies in the past to help it achieve its objectives to the member states and their citizens. Nevertheless, adopting a new strategy is easy. It is just the starting point. The most important part is the implementation of the strategy to the end. PTA set out on a mission of financing and fostering trade, "socio-economic development, and regional economic integration through trade and development finance, funds management as well as advisory and agency services."

1.4 Purpose of the Study

This study focused on how the organization has been applying the McKinsey model to help it implement its strategies. There is growing literature on the use of the McKinsey 7S model for strategy implementation in Kenya. In 2001, Kandie undertook a study on the use of the McKinsey framework in Telkom Kenya. Her study established that even though the Telco had adopted the framework, its implementation was hampered by poor management and lack of funds. A study by Chelimo (2010) that attempted to establish the effectiveness of the framework in the National Social Security Fund (NSSF) found out that strategic audits are an integral part of strategy implementation. Another important study in this field was carried out

by Maru (2015). Her study focused on Kenya Post Office Savings Bank. She found out a strong relationship between performance and strategies.

According to the above studies, the McKinsey framework can be an effective tool when well implemented. These studies did not address the role of McKinsey's 7s framework in achieving organizational success particularly at PTA bank. Hence this left a research gap for this study to be conducted. However, according to the researcher, no study had been carried out in the bank to establish the effectiveness of the framework and its implementation. This study, therefore, sought to bridge this research gap. It sought to address the influence of McKinsey's 7s framework on organizational excellence of Development banks particularly at the PTA bank.

1.5. Objectives of the Study

The study was guided by general and specific objectives;

1.5.1. General Objective

The general objective of this study was to establish the influence of McKinsey 7S Framework on achieving organizational excellence in Development Bank particularly at PTA Bank.

1.5.2. Specific Objective

The specific objectives of the study included:

- i. To determine the influence of structure factor, influence on the organizational excellence of Development Banks in Kenya particularly at PTA bank.
- ii. To determine the influence of strategy factor on the organizational excellence of Development Banks in Kenya particularly at PTA bank.

- iii. To determine the influence of shared values factor on the organizational excellence of Development Banks in Kenya particularly at PTA bank.
- iv. To find out influence of systems factor on the organizational excellence of Development Banks in Kenya particularly at PTA bank.
- v. To determine the influence styles factor on the organizational excellence of Development Banks in Kenya particularly at PTA bank.
- vi. To find out the influence of staff factor on the organizational excellence of Development Banks in Kenya particularly at PTA bank.
- vii. To establish influence of skills factor on the organizational excellence of Development Banks in Kenya particularly at PTA bank.

1.6. Research Questions

The study sought to answer the following questions

- i. How does structure factor influence the organizational excellence of Development Banks in Kenya particularly at PTA bank?
- ii. How does strategy factor influence the organizational excellence of Development Banks in Kenya particularly at PTA bank?
- iii. How does shared values factor influence the organizational excellence of Development Banks in Kenya particularly at PTA bank?
- iv. How does systems factor influence the organizational excellence of Development Banks in Kenya particularly at PTA bank?
- v. How does styles factor influence the organizational excellence of Development Banks in Kenya particularly at PTA bank?
- vi. How does staff factor influence the organizational excellence of Development Banks in Kenya particularly at PTA bank.?

- vii. How does skills factor influence the organizational excellence of Development Banks in Kenya particularly at PTA bank?

1.7 Significance of the Study

The significance of this study could not be undervalued as it's very important to the business societies and the corporate world. A range of organizations across the sphere are driven by usage of strategic framework which play a strategic role in the developments of such organizations (Atwater, 2013). The study ventured into a field that has scanty data. As such, it was beneficial to scholars by increasing the existing body of knowledge on the application of McKinsey 7S Framework as a strategy tool in the banking sector in Kenya. It sought to find out how organizations can coordinate and harmonize their internal operations for absolute efficiency. The study will be an important tool for scholars following the same path.

The study also is important to the policy makers who are great at coming up with new policies but are not keen in ensuring that they are actualized. This only helped the private sector, but also the public sector where strategy implementation is horrible particularly at the banking sector.

Finally, the study provides important insights to PTA bank that may make them know the areas of weakness in their strategy implementation. This helped them improve on their performance.

1.8 Scope of the study

This study was conducted in Nairobi County particularly at the PTA Bank. The study would particularly address the role of McKinsey 7S framework in

achieving organizational excellence. The scope of the study was limited to only the employees of PTA bank in the Nairobi regional office. The study was also be limited to the variables provided for in the McKinsey 7S framework in its attempt to establish the effectiveness of PTA bank.

1.9 Delimitation of the Study

The following are the ways that the researcher avoided the limitations of the study;

- Ignores the importance of the external environment and depicts only the most crucial elements in this model for explaining the interdependence of the key processes and factors within the organization.
- The model does not explain the concept of organizational effectiveness or performance explicitly.
- The model has been criticized for lacking enough empirical evidences to support their explanation.
- The model is considered to be more of a static kind of model.
- It is rather difficult to assess the degree of fit with accuracy successfully.
- Criticized for missing out the intricate or finer areas in which the actual gaps in conceptualization and execution of strategy may arise.

1.10 Limitations of the Study

The impending study may face several limitations. There are various limitations that hinder effective performance of the study. The limitations include difficulty in collecting data and bias. They were discussed as below:

Bias: This might occur in the selection of a sample size that is not the real representation of the entire population of the PTA bank at the regional office in Nairobi County. Respondents of the study also gave subjective views that are based on feelings and not reality as per the requirement of the study.

Difficulty in collecting information: Despite the number of respondents, collection of data could be a challenge for the researcher as a result of the fear of unknown in the banking sector. This could arise due to suspicion by the respondents at PTA bank who could think information collected may be used for selfish reasons.

1.11 Assumptions of the Study

The study is based on various assumptions. The study assumed that McKinsey 7s framework affected the organizational excellence at the PTA bank.

The study also assumed that the sample size selected was representative of entire PTA bank. This helped in generalization of the findings from this study.

1.12 Theoretical Framework

This study was anchored on several theories on strategic management. Some of the theories that have influenced the study the most have been discussed below.

1.12.1 Porter's Theory of Competitive Advantage

The theory was developed by Porter in 1980. The theory views organizational performance as a factor of environmental influences and emphasizes the importance of consideration of environmental factors during strategy formulation (Chakrabarti, 2014). This theory places the environment within which an organization operates as the most influential part of any organization. Porter's theory holds that

industry structure strongly influences the competitive rules of the game as well as the strategies potentially available to firms (Keller, 2016). The profitability of an industry, according to the theory, is influenced by five factors which are entry barriers, threat of substitution, bargaining power of buyers, bargaining power of suppliers, and rivalry among industry incumbents. A firm can find something within the framework that it can major on to give it a competitive edge.

At the core of Porter's theory is the argument that a competitive advantage is a function of either providing comparable buyer value more efficiently than competitors (low cost), or performing activities at comparable cost but in unique ways that create more buyer value than competitors and, hence, command a premium price (Ikinci, 2014). A company can only win by either being cheaper than its competitors can or by providing something unique (differentiation). Organizational success, according to this theory, has everything to do with how customers perceive an organization. When customers see your products and services to be different, they may be willing to pay premium prices for them.

This theory matched the topic of this study in that the PTA bank could rely on the McKinsey's 7s framework to facilitate the day to day operations. The bank could do this through product differentiation or cost leadership that would eventually enhance the performance of the bank. This translated to organizational excellence through increased efficiency and market share. This in the long run enhanced the competitive capability of the bank within the industry. However, the theory also had a limitation. In cases where there no big difference exists, competition narrows down to scale of production and its effectiveness (Atwater, 2013).

1.12.2 The Resource-Based View Theory

The theory was developed in 1984 by Birge Wenefeldt and has been widely applied since then. The theory analyzes and identifies a firm's strategic advantages based on examining its distinct combination of assets, skills, capabilities, and intangibles" (Boyle, 2013). The underlying principle of this theory is that organizations possess unique resources that they can use to gain competitive advantage. It goes further to state that organizational competencies are developed from their unique resources. When these competencies are exploited fully, they set the organization apart and become their greatest point of sale. This theory insists that firms can achieve competitive edge by exploiting internal rather than external factors.

The theory emphasized that the environment in which an organization operates should not be given a lot of attention since all that a firm needs to succeed is to capitalize on its unique resources. According to Waterman, Peters, and Phillips, (2013), "certain types of resources owned and controlled by firms have the potential and promise to generate competitive advantage and eventually superior firm performance." (p. 467). However, for these resources to provide competitive advantage, they must be valuable, inimitable, rare, and not easily substituted. When a firm has a rare resource, it maintains a competitive edge over the other firms in the same industry until the resource becomes available to the other firms (Keller, 2016).

There must be an active attempt by a firm to make its resource unavailable to others to maintain a competitive advantage (Caspar, 2014). He claims that the resource must be organized to capture and maintain value. A competitive edge is easy to maintain in the

short run. In the long run, however, it requires a combination of factors such as the heterogeneity of the resource to last.

This theory was related to the topic of study in that the bank can put better use the essence of McKinsey's 7S framework to enhance and consolidate its tangible and intangible resource base that would again translate to achievement of competitive advantage. This enhanced the transactions of the bank amid competitions from rivals in the industry. Ultimately, this translated to organizational excellence through improvement of efficiency and market share of the bank in the industry. However, this theory also had attracted criticism. Resource-based theory put less emphasis on the external environment yet it poses threats and opportunities for a business entity (Bender, 2014).

1.12.3 The Open System Theory

The theory was developed by Biologist Ludwig von Bertalanffy and simply refers to the concept that organizations are strongly influenced by their environment (Price & Chahal, 2016). The environment in this case includes other competing firms that may influence the organization in question economically, politically or socially. The theory postulates that whenever an organization utilizes the resources in its environment, it opens itself to the said environment. Such interactions make the organization's boundaries porous. As a result, the organization does not only get feedback from the environment, but also gives feedback to other players (Prosci, 2017).

An open system is complex to monitor because it entails constantly scanning the external environment, analyzing the internal environment, and assessing customers' needs and preferences in a continuous basis. Attaining positive results in open systems require coming up with various goals that can suit different conditions, also known as equi-finality (Gill, 2014). Open systems succeed by looking at the big picture. Shared values in the McKinsey framework enable feedback and continuous interaction to ensure success. The open system provides a better environment for free flow of information.

This theory related to the topic of study in that McKinsey 7S framework can play a significant role in ensuring the environments affecting the bank are well articulated for its benefit. This was because the bank can adequately maximize the opportunities in the environment via the use of the McKinsey's 7S framework. This eventually translated to improved organizational excellence in the industry. However, this theory also has a disadvantage. Open system theory does not consider much of the ecological factors, yet they affect other aspects of business transactions (Maru, 2015).

1.13 Conceptual Framework

Conceptual framework refers to an investigator's own stand on the study's problem and provides direction to the study through adjustment of a model or other adaptation that suit inquiry (Aragon, Jimenez, & Valle, 2014). The conceptual framework included both the independent and dependent variables of the study and is given in the figure below (figure1.1)

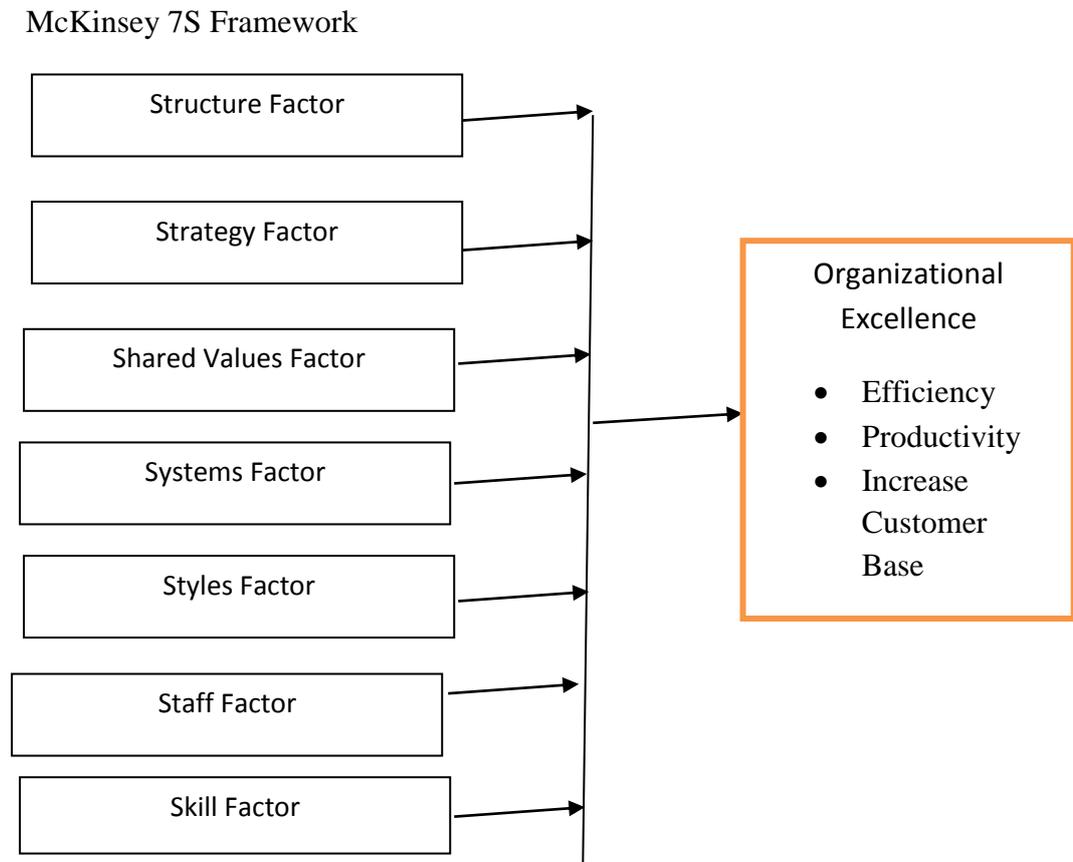
Independent variables**Dependent Variable**

Figure 1. 1: Conceptual Framework Source: Author (2019)

The purpose of the study was to establish influence of McKinsey's 7s Framework (Structure, strategy, shared values, staff, styles, skills and System) on organizational excellence (the dependent variable) of Development bank particularly at the PTA Bank.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviewed the relevant literature that adds value to this research study. Literature review forms an important chapter in a thesis where its main purpose is to provide the background information and justification for the research undertaken by a researcher (Cox, 2011). The literature in this chapter aimed at improving the value of the content regarding to the topic of study. This chapter focuses on the literature that is relevant to the study.

2.2 Review of Literature

Empirical literature refers to other studies or literature that were previously done by researchers and relate to the topic of study (Obwatho, 2014). Empirical literature was derived from books, journals and articles that have content that relate to the topic of the study.

There were various studies that have been done concerning McKinsey's 7s framework in reference to organizational performance. Since the development of the McKinsey 7S model by McKinsey and Company in the 1980s, the framework has been widely used to analyze organizational performance and to suggest areas of improvement for various organizations. The model is based on seven variables commonly known as the 7Ss. The variables include structure, strategy, systems, skills, style, staff, and shared values. There are various studies that have been conducted in reference to the elements of McKinsey's 7s model in relation to organizational growth and development.

Jolkas (2015) conducted a research on the importance of McKinsey's 7s model on growth of SMEs in Greece. The objective of the study was to determine whether the McKinsey 7s model play an important role in ensuring SMEs grow in terms of efficiency and productivity. Questionnaires and surveys were used to collect data from the respondents. Findings of the study revealed the McKinsey 7s Model enhances the growth of SMEs in terms of productivity and efficiency of operations.

Maru (2015) conducted a study on application of McKinsey 7s model on the implementation of strategy at the Kenya Revenue Authority. The study involved a descriptive research design that aimed to address whether the model facilitate organizational performance through strategy implementations. The results of the study indicated that McKinsey 7s model influenced effective strategy implementation at the Kenya Revenue Authority hence facilitating organization to meet its targets.

Nejad, Behbodi and Ravanfar (2014) researched on analysis of organizational structure based on 7s model of McKinsey in free zone of Qeshm. The statistical research of the study included managers and experts at free zone of Qeshm. The research revealed that organizational structure contribute to way responsibility and power are allocated hence play key part in performances of firms.

Njeru, Awino and Adwet (2017) did research on strategy implementation: McKinsey'S 7S framework configuration and performance of large supermarkets in Nairobi. The objective of the study was to determine the relationship between strategy implementation of McKinsey's 7S framework and performance of large supermarkets in Nairobi. Questionnaires were used to collectd data from the field. The finding of

the study revealed that implementation of McKinsey 7s framework improve performance of large supermarkets in Kenya.

Okafor (2015) conducted a study on an empirical study of shared values and organizational performance of Nigerian companies. The study aimed to address whether the communicated shared values influenced performance of the companies. Questionnaire and surveys were used to collect data randomly from the companies. The findings revealed that value system impacts positively organizational performance and it encourages communication and sharedness of organizational values among company's members.

Lukorito (2015) did a research on the factors influencing organizational strategic performance in Kenya corporates particularly at Kenya Airways Limited. Descriptive research design was adopted on a sample of 30 employees from the company and questionnaire was used to collect data from the field. The findings of the study revealed that there was significant relationship between organizational structure and strategic performance of the company.

Musyoka (2016) researched on the factors that influence organizational performance in the Hospitality Industry particularly at Sankara in Nairobi. The purpose of the study was to investigate shared values, skill set of employees and systems and how they influence organizational performance at the hotel. Survey design was adopted for this study and a sample of 36 respondents were selected using stratified sampling techniques by the help of questionnaire as a tool of data collection. The results of the study revealed that shared values, skills of the employees and systems improves the

productivity and resources usage hence the enhancement of organizational performance in the hospitality industry.

2.2.1 Strategy Factor and Organizational Excellence.

Strategy is the plan of action an organization prepares in response to, or anticipation of, changes in its external environment (Ansoff, 1965). Strategy is premeditated. It is not an accidental act. It entails looking into where the organization is, where the organization intends to be in a specified timeframe, and how the organization intends to get there. Strategies at the different levels of an organization has been a pinnacle to success of organization in respect to appropriate usage of available resources without wastage (Githinji, 2013). Strategy has been used by many organizations if not all in enhancing the general and performance of the organization.

The leadership of the organization critically play a key role in ensuring the success of strategy is manifested in the way organization performs. Strategy is a key component to the growth and development of a firm as it directs the achievement of both long-term and short-term goals of the organization (Bender, 2014). Most organizations that perform below average or post low profits do so because they do not take a proactive approach in their strategy formulation. Their strategies are often characterized by copycat and risk avoidance schemes. As a result, their performance is below standard and some of them only survive.

2.2.2 Structure Factor and Organizational Excellence.

Structure has to do with how an organization is organized in respect to division of responsibilities, duties and power (Boote, 2005). Different organizations

take different structures depending on their objectives and operational environments. Traditional business structures are hierarchical with many departments and divisions. Organizational structure regulates the extent operations at the organization with the sole intent of improving performance (Boyle, 2007). A lot of resources are put in place to ensure that the structure of the organization work efficiently and regulate the achievement of the objectives of the organization.

Organizational structure can be used as a blueprint that define the success of organization performance in response to efficiency and outputs (Crew, 2002). Structure in organization enhances the devolution of the power and strategy that governs the efficiency of operations within and without the organization. An effective structure enable the organization to manourvre through challenging business environment with the use of little resources (Bender, 2014).

Structure is the division of tasks for efficiency and clarity of purpose, and coordination between interdependent parts of the organization to ensure organizational effectiveness. The company's structure must be in line with its strategy that is being implemented. According to Nielsen et al. (2008), company structures determine or influences the type of strategy used by a company.

Any changes in an organization's strategy will bring some internal challenges, and thereby there will be a need for a change in structure (i.e. require a new structure). The organization's initial or basic structure usually leads to successful strategy implementation (Ulrich & Smallwood, 2004). Structure assists in highlighting the organization's important activities and the way in which they will be coordinated to

achieve the organization's strategic response. Strategy affects structure and, if an organization opted for a wrong choice of strategy, this will have a negative effect on its efficiency and effectiveness.

2.2.3 Systems Factor and Organizational Excellence.

Systems are the internal processes that help an organization to achieve its objectives (Richards, 2005). An example of an organizational system is following a strict recruitment procedure for years to obtain the best recruits in the markets. The systems of organization facilitate the way things are done procedurally without shortcuts. A lot of investments have been put in place to reinforce the system in order to deliver adequately to the organization. Systems facilitate the internal process to work effectively in order to increase the productivity of the organization via usage of minimum resource (Atwater, 2013).

Organizations carry out their day-to-day business through different organizational systems, in the form of procedures, manuals, administrative systems, financial and budgeting systems, human resources systems, training systems, and cost accounting procedures (Malek & Narayanan, 2008). Every time an organization changes its current policies and operating procedures, it revises and does away with those that are outdated and comes up with new procedures that fit with the implementation of the new strategic setup (Thompson et al., 2007).

2.2.4 Style Factor and Organizational Excellence.

Style includes the dominant values, beliefs, and norms which develop over time and become relatively enduring features of the organizational life (Martins &

Terblanche, 2003). Every organization have particular manner of handling its activities as per the norms and belief that govern the entire organization. Style of addressing operations gives identity of the organization and it facilitate achievement of great outcome of organization (Maru, 2015). The leadership of the organization determine the style in which the organization operate amid the changes in the dynamic business environment.

2.2.5 Staff Factor and Organizational Excellence.

Staff is the human resource which is an integral part of any organization. Businesses put extraordinary effort in hiring the best staff because their performances depend on the quality of their staff (Atwater, 2013). Many organizations compete for better staff that would translate to competitive edge in the industry. Skilled and unskilled labor is important to facilitate the achievement of goals of the organization. This is a result of the effortless contribution at different capacities to ensure the objectives are well met.

2.2.6 Shared Value Factor and Organizational Excellence.

Shared values are the guiding concepts upon which a business or organization is premised (Cox, 2011). Members of an organization always work towards common goals, which make then a closely-knit unit. The shared values of organizations bring the staff and other concerned stakeholders together in a manner that would facilitate collective contributions to the development of the organization at large. The leadership of the organization facilitates an organizational culture that embodies all the agendas and objectives of the organization amid all the competition posed by rivals. Shared values and culture define the nature and extent of work by employees would through leadership enhances innovation, reduces wastage and increase the level

of outputs (Crew, 2002). The shared values dictate and direct the staff into specifically yielding their best for the advancement of organization hence its success.

2.2.7 Skills Factor and Organizational Excellence

Skills and talents are key ingredients of successful and competitive organization amid challenges from the internal and external environment (Cox, 2011). Organizations spends big chunks of the resources to ensure that their employees are adequately skilled to match the demands of the job. Trainings and seminars are on increase around the globe in order to impact the needed skills in the employees so that the can be competent enough (Barata, 2012). Skilled employees ensures that the resources of the company are optimally utilize at the benefit of the general organization.

Despite the cost of training and improving employees skills, the organization eventually benefits through improved outputs and enhanced number of customers or clients (Leah, 2012). This is as results of high level of operations experienced from the manner in which skilled employees perform. This in the long run sustain an improved performance in the organization that then contribute to sustained organizational performance. Skills is one of the key element needed from staffs in order to ensure that they perform as the requirements or job description. Skilled manpower saves on company's resources, improve performance and ensure satisfaction of stakeholders of the entity (Lynch, 2017). Banks around the globe sustain their level of performance via employing and retaining skills employees who would improve the level of organizational excellence.

2.3 Summary of Knowledge Gap

Policies and measures of a firm are targeted to sustain and facilitate ongoing concern of business through improved general performance (Caspar, 2011). It is upon the leaders and managers of the organizations to ensure that the organization is constantly improving and successful in order to sustain the achievements of the agendas. Different organizations across the world uses different parameters to measure both the general and individual performance of the employees. The measures of performance are used to clearly gauge the performance of the actual performance against the stipulated standardized performance. Productivity, market performance and efficient usage of the organizational resources are some of the indicators used to gauge the success of the organization (Resnik, 2011).

An efficient entity can channel the marginal resources to activities that would facilitate achievement of prosperous organization (Germain, 2008). Banks in Kenya effectively evaluate their activities to ensure that actual output matches the standardized output and if then measures are implemented to correct the discrepancies. This is often done with resources in mind in that the efficiency and effectiveness is highly maintained to avoid misuse or misappropriation. This aids to improve performance of such banks despite competition from the other rival banks that operate beyond the national boundaries.

The productivity of the organization portrays the ability and the strength in handling both the short-term and long-term agenda of the organization. The extent of productivity of the employees affects the collective output of an organization hence determines the level of organizational performance (Armstrong, 2006). Strategy is significant to improvement of the output of the organization due to aspect of the strategies employed as a result of the usage of the strategies. Organization should endeavor to improve and magnify its productivity progressively in order to ensure its

success. This is because both the individual and collective productivity of the organization will be improved and enhanced adequately for the benefit of the organization.

There exist different types of market share which can either be value or volume on the basis of clients or customers (Atwater, 2013). The increase in number of customers is grounded on the total share of a company out of total segment sales while the volume market share refers to the actual numbers of units that a firm sells out of total units sold in the market. The organization structure itself or strategize on the way it can achieve either the value or market share gains in a manner that would avoid excessive usage of the organizational resources. It then upon the strategic models of organizations to entrench measures that would otherwise influence and motivate the employees to yield abundantly and improve the organizational performance over a given time period to attract various customers in the industry. The size of customer base is a concern to various companies in that it can as well be used to define the performance of the organization (Barata, 2012).

Summary of Literature Review

The literature review has touched on various areas that are core to the impending study. First, it has explored the McKinsey 7S framework. In the process, it has not only defined the framework and outlined its elements, but it has gone further to explain all its aspects, explained its use in organizations, and outlined its usefulness in the current business environment. This section has also explored other related strategic management tools and frameworks. It has explored how The Resource Based View and Open Systems Theory are relevant to the impending study. The Resource Based View has been seen to be a vital tool for managing internal resources to create

a competitive advantage while the Open Systems View has been seen to be a useful framework for helping manage the change process. The empirical literature review has revealed that most companies are good at strategy formulation but weak in implementation. The literature review has revealed existing research gaps in the area of strategy formulation and implementation especially in the Kenyan banking industry.

The literature review exposed a research gap in the area of using McKinsey 7S as a tool for strategy formulation and implementation in Kenya. Even though the literature on this subject was available online, such literature is very little as not much has been documented. Given the declining performance of most banks in the country, yet they all rely on the McKinsey's framework, it is important to explore and research on areas of weakness and disconnect. In addition, the research of this study shall be done in PTA bank and will particularly address the influence of McKinsey's 7s framework on organizational excellence of development banks in Kenya particularly at the PTA bank. Besides this, there is no known research that had been done on the same topic in the PTA bank. This enabled this study to fill the research gap.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Research methodology is a technique to analytically and systematically solve the research problems and may also be defined as a science of studying the scientific way of handling research (Upagade & Shende, 2012). This chapter identified the procedures that were used in the collection, processing and analysis of data. This chapter addresses also the research design, research site and target population, sampling procedures, sample data collection, research instruments, data analysis and ethical consideration, as well as presentation of findings.

3.2 Research Design

A research design, according to Obwatho (2014) is the framework used to maximize control over factors that could interfere with the validity of the findings of a study. Research design provides answers to issues such as techniques to use to gather data, the kind of sampling strategies and tools to be used in data collection. The research design encompassed an outline of what the researcher used to ensure that research is successful which was in relevance to the implications of the final data analysis. The study adopted a descriptive design which was aimed at describing the influence of McKinsey's 7S framework on organizational excellence of Development banks particularly PTA bank. Descriptive research design involved describing and portraying the characteristics of events, situations of a group of people, community or a population (Mugenda & Mugenda, 2008). The researcher used descriptive research design because it yielded rich data that lead to significant recommendations in the study. It was also used to collect large amount of data for a detailed data analysis

design provided in-depth responses which resulted in better and elaborate understanding of the phenomena under study.

3.3 Research Site

The research site refers to the area or place in which the research was conducted (Boote, 2014). The impending study was conducted at PTA's regional office located in Nairobi. The decision was arrived at because of several factors including availability of little money to conduct continental research, lack of human resources to collect data from branches in other countries, and the researcher's familiarity with the Nairobi branch where she works. The study focused entirely on the influence of McKinsey's 7S framework on organizational excellence of Development bank particularly at PTA bank.

3.4 Target Population

Population refers to a collective word used to describe the quantity and type of cases in the study, whether they are events, objects, or people (Boote, 2014). The population in this study was all the employees of PTA bank at the headquarter regional office in Nairobi. This was because the headquarter regional office of PTA bank facilitated the making of policies that is representative of other branches. The target population, on the other hand, was the employees in Nairobi, Kenya. PTA bank has 130 employees working in different departments at its Nairobi regional branch (TBA, 2017). These (130 employees) served as the target population of the study. Table 3.1 provides more details of the target population;

Table 3. 1: Target Population

Departments	Target Population
HR & Administration	24
Customer Service	31
Finance and Accounts	27
Procurement and Operations	42
Marketing	26
Total	130

Source: PTA (2019).

3.5 Study Sample

Sampling is the process of selecting a portion of the population to represent the entire population (Caspar, 2014). Given the wide international network of PTA bank, the researcher deemed it right to select only a portion of the population for the study. As a result, only the employees in the Nairobi regional office were involved in the study.

3.5.1 Study Sample Size

A sample is a finite part of a statistical population whose properties are studied to gain information about the whole (Resnik, 2011). When dealing with people, it can be defined as a set of respondents (people) selected from a larger population for the purpose of a survey. The study will survey 130 participants of study. Kothari and Garg (2014) suggests sampling formula which will be considered in this study and the sample size was arrived at using the formulae;

$n = Z^2 pq N / E^2 [(N-1) + Z^2 pq]$, where:

n is the desired sample size,

Z is the standard normal deviation at the required confidence level. In this case Z is set at 1.96 with 95% confidence level,

P is the proportion holding a particular opinion. In this case p is set to 50%,

q is the proportion not holding a particular opinion. In this case, $p = 100\% - p = 50\%$,

E is the maximum error required. In our case it is set to 5%,

N is the target population which is 130 in this study.

The sample size is therefore calculated as follow:

$$n = 1.96^2 \times 0.5 \times 0.5 \times 130 / [0.05^2 (130 - 1) + 1.96^2 \times 0.5 \times 0.5] = 97$$

The sample size of the study is set to be 97 respondents from the bank.

3.5.2 Sampling Procedure

The study employed Simple Random Sampling. According to Kiriga (2015), simple random sampling is a subset of a statistical population in which each member of the subset has an equal probability of being chosen. The small number of participants in the study meant that each person was given a fair chance of being chosen.

3.6 Data Collection

Data collections technique refers to procedures or methods that were employed by the researcher in order to gather the required data from the field (Resnik, 2011). First, the researcher sought permission from Africa Nazarene University and PTA bank before the onset of the study. In order to obtain a rich, fruitful variety of primary data for analysis, this project collected data using questionnaires. Distribution of questionnaires were done in two phases. In the first phase, the respondents were identified. Eligible respondents were then supplied with the questionnaires to fill in.

The filled in questionnaires were then collected later by the researcher for entry, coding, synchronization, and analysis. The researcher collected data from only 97 respondents at the bank

3.6.1 Data Collection Instruments

Studies on the use of McKinsey framework in Kenya are scanty. It is important that a study that ventures in the area provides very rich and detailed data. For that reason, questionnaires were chosen for data collection. This served as the research instrument that the researcher used to collect data from the field. The usefulness of questionnaires to any research cannot be disputed. The study employed self-administered questionnaires because they allowed respondents to feel as though they could be completely truthful in their answers, rather than feeling under pressure from an interviewer or other participants.

3.6.2 Piloting of Research Instruments

Before the data collection process begins, the formulated questionnaire was given to a small sample (n=10), of lower level employees to help by assessing the understandability of the questions asked, their relevance to the study, comprehensiveness, and clarity of instructions given. The individuals were used because of the benefits of carrying out a pilot study using respondents drawn from the population expected to be used in the real study. This idea was supported by Wilson (2006) who claims that potential respondents for a pilot test and the full experiment should be drawn from the same population. The idea of conducting questionnaire pilot test was also supported by McMurray and Scott (2004) who claimed that because it is difficult to identify the likely perceptions of questionnaire respondents, you should

always pilot test questionnaires before they are used. The feedback from the pilot test was used to enhance the questionnaire to ensure clarity and acceptability.

3.6.3 Instrument Reliability

According to Wilson (2006) holds that reliability is the degree to which an assessment tool produces stable and consistent results. Data can only be said to be reliable when it is sufficiently complete and error free to be convincing for its purpose and context (Stewart, 1984). To ensure reliability, individual study participants used as the unit of analysis in factor analysis. The factor loadings of the 97 participants was used to confirm if the reliability of the items used in the study is excellent. With regard to reliability, the researcher conducted an inter-item consistency reliability test using the Cronbach's coefficient alpha (α) to test the consistency of respondents' answers to all the items in a variable or concept. A Cronbach's coefficient $\geq 0.7\%$ was be accepted in this study.

3.6.4 Instrument Validity

Validity is a measure of truth or falsity of the data obtained through using the research instrument (Burns & Grove, 2001). Validity is concerned with the accuracy of measuring instruments used in a study. The researcher intended to submit the instrument to two experts for opinions with regard to content validity. For construct validity, the researcher used a confirmatory factor analysis to see if the various single items contribute to the overall construct measurement. The validity of items used in any research was important if it was to be believed to be credible. Construct validity was necessary in determining the fit of the data collected for the study model.

3.6.5 Data Collection Procedure

The questionnaire was administered in English and provide a brief explanation on the research objective to help respondents understand what the study was about, and to help them confirm if they were eligible to participate in it. The questionnaires were accompanied by a cover letter, which is intended to inform the respondents of important information such as their anonymity and the confidentiality of any information provided, the general topic and background of the study.

To ensure reliability and validity of the collected data, as well as a good response rate, the design and structure of the questionnaire was highly considered (Mugenda & Mugenda, 2008). Close-ended questions was formulated for the purposes of data analysis, allowing a direct connection between the various variables used in the study. Likert style, numeric, and semantic differential rating scales were considered for the questionnaire, as they clearly reflect the feelings and opinions of the respondents (Saunders, 2009). Additionally, using the scales made it easy to draw comparisons between the different respondents.

3.7 Data Analysis

Data analysis is the examination of data that has been collected and then making deductions and inferences out of it (Teddlie & Yu, 2017). After the data collection exercise, the data will be refined and thoroughly checked for any deviant or misleading information. Statistical Package for the Social Sciences (SPSS) will be used for data analysis. SPSS has been preferred since it allows for easy illustration of any found trends or patterns (Bryman & Bell, 2011).

The analyzed data was presented in various forms for ease of understanding. The researcher intended to use graphs, tables, diagrams, and charts to present her findings. The researcher then summarized and interpreted the responses from the PTA bank. Inferential statistics (mean, median and mode) and descriptive statistics such as frequencies and percentages were adopted by use of correlation for the analysis of the collected data. The amount of data expected to be collected for the study was vast hence the use of SPSS for analysis. This format made it easier for readers to understand and follow the study's findings.

3.8 Legal and Ethical Considerations

Research ethics should be considered at all stages of research design, collection, and analysis (Mugenda & Mugenda, 2008). Ethical considerations were highly involved by the researcher to avoid any harm to individuals or society at large. The researcher sought permission from related institutions, avoided plagiarism as well as ensured confidentiality in the research. The researcher obtained permission from African Nazarene University and PTA bank before the onset of this study. This made the research study to meet the ethical standards that govern research world.

The researcher avoided copying the work done by any other persons. Plagiarism is a serious academic offense and should be avoided at all cost (Boote, 2005). The researcher avoided this by acknowledging the contributions of other authors to the research. The researcher ensured confidentiality in the research in that the questionnaires was not include the respondents' details that may reveal their identity. Confidentiality was therefore upheld in this research study.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.1 Introduction

This chapter presents the analysis of data which was collected from the PTA bank in Kenya. The topic of study is to establish the influence of Mckinsey's 7s framework on organizational excellence of Development Banks in Kenya specifically at PTA bank. In this chapter data analysis was done by the use of SPSS and the presentation was done by use of tables, graphs, percentages and frequencies. Again, this chapter also include the use of descriptive and inferential statistics to show the relationship among the variables of the study.

4.2 Response Rate

The study targeted a sample of 97 respondents from the PTA bank in Kenya. Based on the result of Table 4.1, it is clear that 91 of the sample responded to the questionnaire and only 6 of them did not give out their responses. This translate to 93.8% response rate which is greater than Mugenda and Mugenda's (2003) which prescribed 50% as the minimum response rate.

Table 4. 1 Response Rate

Response	Frequency	Percentage
Responded	91	93.8
Not responded	6	6.2
Total	97	100.0

Source: (Author,2019)

4.3 Presentation of Research Analysis, Findings, and Interpretation

This section of questionnaire included demographic information of the respondents of the study. The involved data related to respondent's gender, age and position held at work. The data are discussed as below.

4.3.1 Gender of Respondents

Figure 4.1 was used to describe the gender of the respondents who took part in this study. From the findings, it the 66.42% of the respondents were male while 33.58% of them were female. This indicates that the sector is dominated by male specifically in Muramvya.

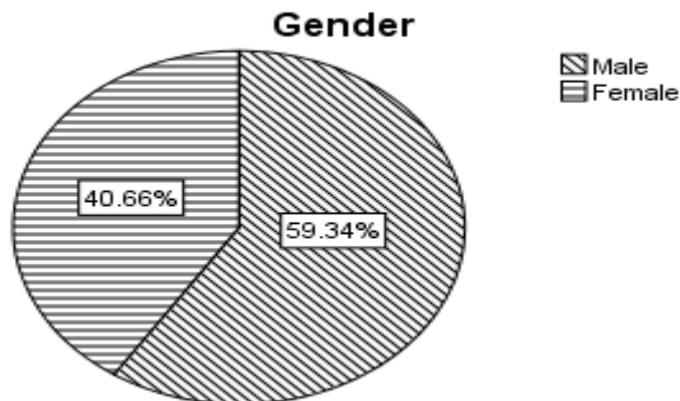


Figure 4. 1: Gender of the Respondents

Source: (Author,2019).

4.3.2 Age Bracket

The figure 4.2 was used to give detailed information regarding the age brackets of the respondents who took part in this study. From the results, 20.88% of the respondents were between the age of 18-30 years, 39.56% were between the age of 31-40 years , 29.67% were between the age of 41-50 years and the rest (9.890%) of the respondents were of 51 years and above. The findings suggest that all (100%) the

respondents were adults (18 years and above) who gave out informed information and no minors were included in the study.

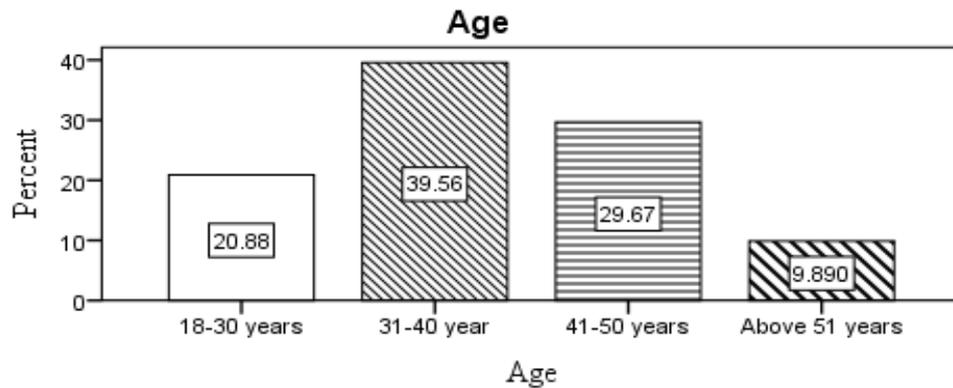


Figure 4. 2: Age Bracket

Source: (Author,2019).

4.3.3 Position at Work

The study aimed at determining the positions held by respondents at the workplace. From the findings of the study, 9.9% of the respondents were managers, 30.8% of them were lower level staff, 49.5% of the respondents were technical support staff while 9.9% of them were from other positions. Implication of this is that the various level and sectors of the positions in the bank were included in the study hence reliable information was received regarding the topic under study.

4.4 Influence of Mckinsey's 7S Framework on organizational Excellence at PTA Bank

The study targeted to determine the influence of Mckinsey's 7S framework on organizational excellence at the bank. Below are how the specific Mckinsey's 7s framework and how they affect the organizational excellence at PTA bank.

4.4.1 Structure Factor on Organizational Excellence at PTA bank

This section of the questionnaire addresses the influence of structure factor on organizational excellence at PTA bank and Table 4.2 gives detailed information regarding this. According to the findings of the study, it is clear that organizational structure of PTA bank facilitates the achievement of organizational excellence through increased customer base. This is supported by 64 and 9 of respondents who agreed and strongly agreed respectively. Among the respondents, 9 of them gave neutral response, 7 of them disagreed while only 2 of them strongly disagreed. In addition, their mean value of 3.78 indicates that majority of the respondents agreed with this. This implies that the structure of the bank plays a significant role in the increment of its customer base.

4.2 reveals that majority of the respondents agreed that the size of the organizational structure dictates the efficiency of achievement of excellence at PTA bank. This is supported by 54 and 23 of the respondents who agreed and strongly agreed to this, among the respondents, 10 of them were unsure while 4 of them disagreed with the statement. There was no respondent who strongly disagreed. The findings of the study suggest that the size of organizational structure affects the manner in which transactions are conducted in the bank which eventually affects its efficiency.

On whether the flexibility of the structure at the bank enable improvement of productivity hence to organizational excellence, majority of the respondents agreed with this as supported by a mean of 3.95 and a standard deviation of 0.882. Among the respondents, 5 gave neutral responses while 7 of them disagreed. There were 2

respondents who strongly disagreed. Implication of this is that, the flexibility of structure improves the functions and productivity of the employees at the bank hence the improvement of the organizational excellence.

Table 4. 2: Structure Factor on Organizational Excellence at PTA bank

Statements	Strongly Disagree	Disagree	Unsure/ Neutral	Agree	Strongly Agree	Mean	Stdv
Organizational structure of PTA bank facilitates the achievement of organizational excellence through increased customer base	9	7	9	64	9	3.78	.809
The size of the organizational structure dictates the efficiency of achievement of excellence at the PTA bank	0	4	10	54	23	4.05	.732
Flexibility of the structure at the bank enables the improvement of productivity hence contribute to organizational excellence	2	7	5	57	20	3.95	.883

Source: (Author,2019)

4.4.2 Strategy factor on Organizational Excellence at PTA bank

This section of the questionnaire aimed at determining the strategy factor contribute organizational excellence at the bank. Specifically, the section aimed to determine how the strategy factor affects the productivity of the bank, its customer base and efficiency of the bank. Table 4.3 gives more information about this. As per the findings of the study, 55 and 19 respondents agreed and strongly agreed respectively, among them 8 of the respondents gave neutral responses 7 of them disagreed while 2 of the respondents strongly disagreed. The implication of these findings is that the strategies used by the bank facilitate the achievement of organizational excellence through increased productivity, efficiency and customer base.

Results of Table 4.3 reveals that 59 and 25 respondents agreed and strongly agreed respectively that strategic plan of the bank enables achievement of both the long term and short-term goals of the bank hence achievement of organizational excellence.

Among the remaining respondents, 5 of them gave neutral responses and 2 of them disagreed. There was no respondent that strongly disagreed with the statement. In addition, a mean value of 4.18 indicates that majority of the respondents either agreed or strongly agreed with the statement. The findings suggest that strategic plan contributes to creation of important platform that ensure increment in output, customer base as well as efficiency of operations.

According to the findings of the study, 63 and 19 respondents agreed and strongly agreed that strategic mission and vision of organization of the bank advocates

for efficient usage of resources that facilitate organizational success through improved productivity. From the findings, 9 respondents were unsure but there was no respondent who disagreed or strongly disagreed with the statement. The findings imply that the strategic mission and vision of bank direct the company in a competitive path that results to organizational success hence its excellence.

Based on the findings of the study, 19 and 55 respondents agreed and strongly agreed respectively that goals and objectives of the bank are achieved through usage of strategy which at the end of the day reflects on organizational excellence. Among them, 7 respondents were undecided, 8 respondents disagreed while only 2 respondents strongly disagreed. This indicates that goals and objectives of the bank dictates the way operations are done in the bank that again contribute to its excellence despite the challenges in the industry.

Table 4. 3: Strategy factor on Organizational Excellence at PTA bank

Statements	Strongly Disagree	Disagree	Unsure/ Neutral	Agree	Strongly Agree	Mean	Stdv
Strategies used by PTA bank enables the achievement of organizational excellence via improved productivity, increased customer base and efficiency	2	7	8	55	19	3.90	.890

The strategic plan of the bank enables achievement of both long term and short-term goal of the bank hence achievement of organizational excellence	0	2	5	59	25	4.18	.622
Strategic mission and vision of organization of the bank advocates for efficient usage of resources that facilitate organizational success through improved productivity	0	0	9	63	19	4.11	.544
Goals and objectives of the bank are achieved through usage of strategy which at the end of the day reflects on organizational excellence	2	8	7	19	55	4.27	.107

Source: (Author,2019).

4.4.3 Shared Value on Organizational Excellence at PTA bank

The study sought to determine the influence of shared value on organizational excellence of the development banks specifically at the PTA bank. Table 4.4 provides more information about this. From the findings of the study 36 and 45 respondents

agreed and strongly agreed that shared values of the organization play an important role in ensuring achievement of the organization. Among them, 6 respondents were unsure while 4 respondents disagreed. There were no respondents that disagreed with the statement. In addition, this was supported by a mean value of 4.34 and standard deviation of 0.7875 which indicates that most of the respondents agreed with the statement. The findings imply that the shared value as a factor contributes to organizational excellence as a result of the aspect of togetherness in handling banks operations.

Table 4.4 reveals that 39 and 45 respondents strongly agreed and agreed respectively that beliefs and shared attitudes of the employees at the bank facilitate the accomplishment of goals of the organization hence achievement of organizational excellence. Among them, 3 respondents were undecided, 2 respondents disagreed while 2 respondents strongly disagreed. This was also supported by a mean value of 4.29 and a standard deviation of 0.816 which indicates majority of the respondents strongly agreed or agreed with the statement. The findings suggest that shared beliefs and values contribute to excellence at the bank as a result of commonalities in addressing the demands of the job at the bank.

According to the findings of the study, 40 and 42 respondents of the respondents agreed and strongly agreed respectively that concepts and ideals of a business brings employees together at the bank that regulate their achievement of organizational goals. Among them, 8 respondents gave neutral response while 1 respondent disagreed but there was no respondent who strongly disagreed. Again, this was also supported by the mean value of 4.35 and standard deviation of 0.685 which indicates that majority of the respondents agreed or strongly agreed with the statement. The

implication of this is that concepts and ideals of the bank are part of the shared values that ensure performance and productivity are enhanced at the bank hence improved organizational excellence.

Table 4. 4: Shared Value on Organizational Excellence at PTA bank

Statements	Strongly Disagree	Disagree	Unsure/ Neutral	Agree	Strongly Agree	Mean	Stdv
Shared values of the organization play an important role in ensuring achievement of success of the organization	0	4	6	36	45	4.34	.788
Beliefs and shared attitudes of the employees at the bank facilitate the accomplishment of goals of the organization hence achievement of organizational excellence	2	2	3	45	39	4.29	.816
Concepts and ideals of a business bring employees together at the bank that regulate their achievement of organizational goals	0	1	8	40	42	4.35	.685

Source: (Author,2019).

4.4.4 Systems Factor on Organizational Excellence at the PTA bank

The study sought to determine the influence of system factor (as part of Mckinsey's 7s Framework) on organizational performance at PTA Bank. Table 4.5 provides more information regarding this. The findings of the study clearly reveal that 30 and 52 respondents of the study agreed and strongly agreed respectively that systems facilitate a platform that supports and ensure the achievement of organizational excellence. Among the respondents, 5 of them gave neutral responses while 4 respondents disagreed. However, there was no respondent who strongly disagreed. In addition, this was also supported by a mean value of 4.43 and a standard deviation of 0.786 which is clear indication that majority of the respondents agreed or strongly agreed with the statement. The implication of this is that the systems in the bank creates a conducive environment for achievement of organizational excellence.

On whether the inclusion of technology in the systems of the bank enable achievement of efficiency and improvement of productivity in the bank, 35 and 46 respondents agreed and strongly agreed with this statement. Among them, 5 respondents were undecided, 3 respondents disagreed while 2 respondents strongly disagreed. This is also supported by a mean value of 4.32 and standard deviation of 0.888 which indicates that majority of the respondents agreed or strongly agreed with the statement. This implies that inclusion of technology in the system contribute to efficiency in operations and improves the individual and collective output in the bank hence organizational excellence.

According to the findings, 32 and 47 respondents of the study agreed and strongly agreed respectively that contents and documentation of the systems of the

bank plays a major role in the contribution of its success. Among them, 5 respondents gave neutral responses, 4 respondents disagreed, and 5 respondents strongly disagreed. This is backed up with a mean value of 4.23 and standard deviation of 1.08 which indicates that majority of the respondents strongly agreed or agreed with the statement. The findings indicate that contents and documentation of the systems of the bank ensure enhanced competitiveness of the bank that reflects on its success in the industry.

Table 4. 5 Systems Factor on Organizational Excellence at the PTA bank

Statements	Strongly Disagree	Disagree	Unsure/ Neutral	Agree	Strongly Agree	Mean	Stdv
Systems facilitate a platform that supports and ensure achievement of organizational excellence	0	4	5	30	52	4.43	.786
Inclusion of technology in the systems of the bank enable achievement of efficiency and improvement productivity in the bank	2	3	5	35	46	4.32	.888
Contents and documentation of the systems of the bank plays a major role in the contribution of the success	5	4	3	32	47	4.23	1.08

Source: (Author,2019)

4.4.5 Style Factor on Organizational Excellence at PTA bank

The study targeted to determine the influence of style factor on organizational excellence at PTA bank. Table 4.6 provide more information about this. As per the findings of the study, 40 and 43 respondents agreed and strongly agreed respectively that the type of leadership at the bank contributed to organizational excellence through enhancement of productivity level. Among them, 6 respondents gave neutral responses while 2 respondents disagreed. This was also supported by a mean value of 4.36 and standard deviation of 0.703 which indicates that majority of the respondents agreed with the statement.

In relation to whether organizational culture of the bank directs the transactions of PTA towards achievement of organizational success, 30 and 45 respondents agreed and strongly agreed respectively. Only 10 respondents were undecided, 5 respondents disagreed while 1 respondent strongly disagreed. In addition, a mean value of 4.24 indicates that majority of the respondents agreed with this. The findings suggest that the culture of the bank dictates the way operations are done and drives it towards organizational excellence.

Based on the findings of the study, 36 and 38 respondents of the study agreed and strongly agreed that the mode and type of communication at the bank plays a major role in the contribution to efficiency of services and increased productivity. Among the remaining respondents, 9 of them gave neutral responses, 4 respondents disagreed while 4 respondents strongly disagreed. This was also supported by a mean value of 4.10 and standard deviation of 1.04 which indicates that majority of the respondents agreed with the statement. This implies that the style factor ensures organizational growth and excellence through increased efficiency and productivity.

Table 4. 6 Style Factor on Organizational Excellence at PTA bank

Statements	Strongly Disagree	Disagree	Unsure/ Neutral	Agree	Strongly Agree	Mean	Stdv
The type of leadership at the bank have contributed to organizational excellence through enhancement of productivity level	0	2	6	40	43	4.36	.703
Organizational culture of the bank directs the transactions of PTA bank towards achievement of the organizational success	1	5	10	30	45	4.24	.930
The mode and type of communication at the bank plays a major role in the contribution to efficiency of services and increased productivity	4	4	9	36	38	4.10	1.04

Source: (Author,2019)

4.4.6 Staff factor on organizational excellence at PTA bank

The research also aimed at determining the influence of staff factor on the organizational excellence at the PTA bank. Table 4.7 gives more information regarding this. From the findings of the study, 64 and 18 respondents agreed and strongly agreed respectively that the manpower at the bank is sufficient and has contributed to enhanced productivity and organizational excellence. Among the remaining respondents, 5 of them were unsure in their responses while only 4 respondents disagreed. This is also backed up with a mean value of 4.05 and standard deviation of 0.652 which implies that majority of the respondent agreed with the statement. The findings suggest that level of productivity staff of the bank adequately contribute to its organizational excellence.

According to the findings of the study, 30 and 46 respondents of the study agreed and strong agreed that training and education of staff has improved quality of services and efficiency of operations hence contributing to organizational excellence. Among the respondents, 7 of them gave neutral responses, 5 respondents disagreed while 3 of the respondents strongly disagreed. In addition, this is supported by a mean value of 4.22 and standard deviation of 1.025 which indicates that majority of the respondents agreed with the statement. The results of analysis suggest that empowered staff deliver more effectively for the benefit of the bank in general.

On whether personnel optimally address the projects of the bank effectively in a manner that facilitate achievement of organizational excellence, 38 and 40 respondents agreed and strongly agreed respectively to this statement. Among the respondents, 8 of them gave neutral responses, 3 respondents disagreed and only 2 respondents strongly disagreed. This is also supported by a mean value of 4.22 and standard deviation of 0.899 which implies that majority of the respondents agreed

with the statement. The findings suggest the personnel of the bank play an important role in its growth and development hence achievement of its excellence at the end of the day.

Table 4. 7 Staff factor on organizational excellence at PTA bank

Statements	Strongly Disagree	Disagree	Unsure/ Neutral	Agree	Strongly Agree	Mean	Stdv
The manpower at the bank is enough and has contributed to enhanced productivity and organizational excellence	0	4	5	64	18	4.05	.652
Training and education of staff has improved the quality of services and efficiency of operations hence contributing to organizational excellence	3	5	7	30	46	4.22	1.025
Personnel optimally address the projects of the bank effectively in a manner that facilitate achievement of organizational excellence	2	3	8	38	40	4.22	.899

Source: (Author,2019)

4.4.7 Skills factor on organizational performance at the PTA bank

The research also sought to determine the influence of skills factor on organizational performance of development banks in Kenya particularly at PTA bank. Table 4.8 provides detailed information about this. From the findings of the study, 45 and 37 respondents agreed and strongly agreed respectively that management skills at the bank has contributed to organizational excellence via increased productivity and efficiency of transactions. Among them, 6 respondents gave neutral responses while only 3 respondents strongly disagreed. This was also backed up with a mean value of 4.24 and standard deviation of 0.843 which means that majority of the respondents either agreed or strongly agreed. This indicates that skills of management enhance the level of output and efficiency of the bank's transaction.

On whether I.T. staff skills have enables improved organizational performance and result through creation of improved platforms for service delivery, 46 and 30 respondents agreed and strongly agreed respectively. Among the, 7 respondents were undecided, 2 respondents disagreed, and 6 respondents strongly disagreed. Again, with a mean of 4.01 and standard deviation of 1.04 indicates that majority of the respondents agreed with the statement. The findings imply that I.T. skills have improved the performance of the bank in the perspectives of service delivery.

Finally, on whether appropriate matching of skills of staff at the organization has contributed to success of the organization, 27 and 44 of the respondents agreed and strongly agreed with this statement respectively. Among the respondents, 8 respondents were undecided, 10 respondents disagreed while 2 respondents strongly disagreed. This was also supported by a mean of 4.11 and standard deviation of 1.09 which indicates that majority of the respondents agreed with the statement. This

means that effectively match skills in the organization leads to its excellence in perspectives of performance and productivity.

Table 4. 8: Skills factor on organizational performance at the PTA bank

Statements	Strongly Disagree	Disagree	Unsure/ Neutral	Agree	Strongly Agree	Mean	Stdv
Management skills at the bank has contributed to organizational excellence via increased productivity and efficiency of transaction	3	0	6	45	37	4.24	.843
I.T. staff skills have enabled improved organizational performance and result through creation of improved platforms for service delivery	6	2	7	46	30	4.01	1.04
Appropriate matching of the skills of the staff at the organization has contributed to success of the organization	2	10	8	27	44	4.11	1.09

Source: (Author,2019)

This is descriptive statistics only, it lacks inferential statistics

CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter addresses the discussion of findings in relation to the research objectives. This chapter also presents conclusions and recommendations. This chapter also incorporates various suggestions and comments given by the respondents from PTA bank. The implications for further research are also made in order to build up on academic knowledge regarding the influence of Mckinsey's 7s framework on organizational excellence of an organization.

5.2 Discussion

The research findings are discussed as per each research objective.

5.2.1 Structure Factor influence on Organizational Excellence

The study sought to determine whether structure factor have influence on organizational excellence of the development banks particularly PTA bank. The findings revealed that structure factor plays an important role to ensure the organizational excellence of the bank. The findings of the study aligns with a study conducted by Bender (2014) who holds that an effective structure enable the organization to maneuver through challenging business environment with the use of little resource and also ensure organizational success in a manner that improves performance and its productivity. The findings of the study also revealed that the size and flexibility of the organizational structure enable the achievement of organizational excellence through improved productivity and its customer base. These findings indicate that the size and flexibility of the structure when adequately handled would

improve to organizational excellence at the benefit of the development banks. These findings match Crew (2016) who holds that company's structure determine or influence the type of strategy used by a company's structure that in return determines its performance and collective outputs.

5.2.2 Strategy Factor Influence on Organizational Excellence

The findings of the study indicate that strategy factor influences the organizational excellence of the development banks in Kenya specifically at PTA bank. The findings align with the study that was conducted by Githinji (2013) who stated that strategies at the different levels of the organization has been a pinnacle to success of organization in respect to appropriate usage of available resources without wastage. As per the findings of the study, strategic plans, strategic mission and vision and goals and objectives of the bank contributed to improved productivity, efficiency and its customer base. The suggestions of the finding are clear that when the bank's strategies are well articulated, executed and implemented then the organizational excellence of the bank amid its day to day challenges.

5.2.3 Shared Values Factor Influence on Organizational Excellence

The study revealed that shared values, as part of Mckinsey's 7s framework, influences the organizational performance of PTA Bank. This is because the results of the study reveal that shared values lead to organizational excellence at the bank. The findings are consistent with a study done by Cox (2011) who holds that shared values are the guiding concepts upon which a business or organization's success is premised. The findings of the study also clearly revealed that beliefs, shared attitudes of the employees, concepts and ideals of a business brings employees together towards the attainment of the goals of the organization. This indicates that the culture, as part of

the shared values of the bank contribute to banks excellence as it improves its performance and productivity. The findings match the study that was done by Crew (2016) which states that shared values and culture defines the nature and extent of work by employees through its leadership that enhances innovation, reduces wastage and increases the level of output. This implies that the shared values dictate the way the bank operates hence affects its excellence in its long-run or short-run perspectives.

5.2.4 Systems Factor Influence on Organizational Excellence

Based on most of the respondents of the study, the research revealed that systems factor influences the organizational excellence of PTA bank. This is because the systems facilitate a platform that supports and ensure achievement of organizational excellence. The findings of the study align to Atwater (2013) who argued that systems facilitate the internal process to work effectively in order to increase the productivity of the organization via usage of minimum resources. The findings also showed that inclusion of technology in the systems, contents and documentation of the systems plays important role in the contribution of its success. This implies that the composition of the systems in an organization dictates that organizational success amid the challenges in the bank. The findings match a study that was conducted by Richard (2015) who holds that systems are the internal processes that help an organization to achieve its objectives.

5.2.5 Styles Factor Influence on Organizational Excellence

According to the results of the study, styles factor leads to the organizational excellence at PTA bank. This is because the study revealed that the style of leadership used by the bank determines its excellence amid the challenges in the business environment. The findings match Maru (2015) who stated that style includes the dominant values, beliefs and norms which develop overtime and become relatively

enduring features of organizational life and its leadership. In addition, the findings revealed that organizational culture and type of communication play major role in the contribution of efficiency of services and increased productivity. The findings indicate that the style of culture and communication plays important in the excellent operations of the bank. The findings match Maru (2015) who holds that style of addressing operations gives identity of the organization and it facilitate achievement of great outcome of the organization.

5.2.6 Staff Factor Influence on Organizational Excellence

The study sought to determine whether staff factor influence on organizational excellence in development banks particularly at PTA bank. Based on most of the respondents of the study, staff factor plays an important role in ensuring the excellence of the bank. This is because the manpower at the bank increases the productivity and organizational excellence of the bank. The results align to a study that was done by Atwater (2013) who holds that businesses put extraordinary effort in hiring the best staff because their performance depend on the quality of the staff. The findings also revealed training and education of staff and effective personnel ensures that the bank achieve organizational excellence in its day to day operations. This shows that empowered staff add more value to the processes and operations of the organization that ensures the organization meets its objectives within the stipulated time period.

5.2.7 Skills Factor Influence on Organizational Excellence

As per the findings of the study, it is clear skills factor plays an important role in influencing the organizational performance of PTA bank. This is according to the majority of the respondents. this is because the study revealed that management skills

and I.T. skills contribute to the bank's excellence through improved productivity and efficiency of operations. These findings are similar to that of Cox (2011) who holds that skills and talents are key ingredients of successful and competitive organization amid challenges from internal and external environment. Again, the study also revealed that appropriate matching of the skills of staff at the organization contributes to its success. This is because it will make the skilled personnel to be more productive and efficient to the bank.

5.3 Summary of Main Findings

This section of the study presents a summary of the major findings of this study. These findings are based on the objectives that this research aimed to accomplish. The major findings are explained as below.

First, on whether structure factor influence the organizational excellence on development banks particularly PTA bank; the study showed that that structure factor influences organizational excellence through improvement of productivity, efficiency and customer base of the bank (See Table 4.2).

Secondly, the study revealed that strategy factor influences the organizational excellence of the development banks specifically PTA bank. This is because strategic plans, missions and visions of the bank leads to organizational excellence (See Table 4.3).

Thirdly, the study showed that shared values have influence on the organizational excellence of the bank. This is because the beliefs, shared attitudes, concepts and ideals contribute to bank's excellence in perspectives of performance and productivity (See Table 4.4).

Fourth, the findings of the study revealed that systems factor have influence on organizational excellence of development banks particularly PTA bank. This is due to the fact that inclusion of technology, contents and documentation of systems lead to organizational excellence of the bank (See Table 4.5).

Fifth, in regard to whether styles factor have influence of organizational excellence of development banks; the result found out that types of leadership, organizational culture and mode and types of communication contribute to organizational excellence at the bank (See Table 4.6).

Sixth, the results of the study revealed that staff factor have influence on the organizational excellence of the development bank specifically PTA bank. This is because findings revealed that training and education of manpower improves the organizational excellence. The findings also revealed that personnel of the bank particularly influence its organizational excellence (See Table 4.7).

Finally, on whether skills factor influence the organizational excellence of the PTA bank; the study showed that management skills and IT skills improve the organizational excellence of the bank. The study also revealed that appropriate matching of skills in the organization contributes to organizational performance (See Table 4.8).

5.4 Conclusion

According to the findings of the study, the following conclusions were made; It was concluded that structure factor influences the organizational excellence on development banks particularly PTA bank through improvement of productivity, efficiency and customer base of the bank.

It was concluded that strategy factor influences the organizational excellence of the development banks specifically PTA bank. This is as a result of strategic plans, missions and visions of the bank leads to organizational excellence.

Conclusion was made that shared values have influence on the organizational excellence of the bank. This is because the beliefs, shared attitudes, concepts and ideals contribute to bank's excellence in perspectives of performance and productivity

Conclusion was made that systems factor have influence on organizational excellence of development banks particularly PTA bank. This is due to the fact that inclusion of technology, contents and documentation of systems lead to organizational excellence of the bank.

It was concluded that styles factor has influence of organizational excellence of development banks; the result found out that types of leadership, organizational culture and mode and types of communication contribute to organizational excellence at the bank.

Again, conclusion was made that staff factor have influence on the organizational excellence of the development bank specifically PTA bank. This is because findings revealed that training and education of manpower improves the organizational excellence.

Finally, it was concluded that skills factor influences the organizational excellence of the PTA bank; the study showed that management skills and IT skills improve the organizational excellence of the bank.

5.5 Recommendation

This section of research tackles the recommendations that should be considered to ensure that the development banks efficiently contribute to

organizational performance. There were several recommendations that were made regarding the variables of the study. The following are recommendations that were made in the process of this study on the basis of study findings.

The development bank should conduct embrace technology to a larger extent. This is because technology provides an adequate platform for the efficient operations and structure and strategy of the organization works efficiently. This would be beneficial to the PTA bank in that it will be able to improve its performance in the industry.

Recommendation was also made that the PTA bank should engage more of advisory services from qualified experts' consultants. This ensure effectively working systems and staff who would ensure the bank works optimally. This will benefit policy makers in various industry to be able to improve their performance in the relevant industry.

It was recommended that PTA bank should invest heavily on research and development department more than what they have. The findings of this department would ensure achievement of more valid information to improve the staff, structure, systems and the skills of the bank. This would be beneficial for the scholars who would use such findings for comparison and generalization of the findings regarding the variables of the study.

PTA bank needs to choose appropriate leadership style that would bring out the best out of its staff, systems and its culture. This would ensure effective performance of the strategy of the bank that would again benefit the bank in its day to day operations.

5.6 Areas for Further Research

The researcher recommends that same study be conducted in a different industry regarding the variables of the study which are Mckinsey's 7s framework and organizational excellence. Similarly, the researcher also recommends that a study be done on the specific Mckinsey's 7S framework and its influence on organizational performance. The findings of these studies will be beneficial in comparison and generalization of the findings of the study. Future researchers should also research on the cost-benefit analysis of the Mckinsey's 7s framework on organizational excellence in the banking industry.

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APPENDICES

Appendix 1: Questionnaires

Part A. Demographic Details of Participants

Please state your gender

Male

Female

What is your age?

18-30

31-40

41-50

51+

What is your position at your workplace?

Manager

Lower Level Staff

Technical Support Staff

Other

Part Two: Role of McKinsey's 7S framework and Organizational Excellence at PTA bank

This part of the questionnaire addresses the role of McKinsey's 7S Framework in achieving organizational excellence at the bank. Kindly tick the statement as appropriate on your opinion on each statement. The McKinsey's 7S framework are addressed specifically as below.

Key: 1 = strongly disagree; 2 = disagree; 3 = Unsure/neutral; 4 = agree; 5 = strongly agree.

(i). Structure Factor

	1	2	3	4	5
Organizational structure of PTA bank facilitates the achievement of organizational excellence through increased customer base					
The size of organizational structure dictates the efficiency of achievement of excellence at the PTA bank					
Flexibility of the structure at the bank enable improvement of productivity hence contribute to organizational excellence					

(II) Strategy Factor

		1	2	3	4	5
	Strategies used by PTA bank enable the achievement of organizational excellence via improved productivity, increased customer base and efficiency					
	The strategic plan of the bank enables achievement of both the long term and short-term goals of the bank hence achievement of organizational excellence					
	Strategic mission and vision of organization of the bank advocates for efficient usage of resources that facilitate organizational success through improved productivity.					

	Goals and objectives of the bank are achieved through usage of strategy which at the end of the day reflects on organizational excellence					
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(III) Shared Values

		1	2	3	4	5
	Shared values of the organization play an important role in ensuring achievement of success of the organization					
	Beliefs and shared attitudes of the employees at the bank facilitate the accomplishment of goals of the organization hence achievement of organizational excellence					
	Concepts and ideals of a business brings employees together at the bank that regulate their achievement of organizational goals					

(IV) Systems Factor

		1	2	3	4	5
	Systems facilitate a platform that supports and ensures achievement of organizational excellence					
	Inclusion of technology in the systems of the bank enable achievement of efficiency and improve productivity in the bank					
	Contents and documentation of the systems of the bank plays a major role in the contribution of its success.					

(V) Styles Factor

		1	2	3	4	5
	The type of leadership at the bank have contributed to organizational excellence through enhancement of productivity level					
	Organizational culture of the bank directs the transactions of PTA bank towards achievement of organizational success					
	The mode and type of communication at the bank plays a major role in the contribution to efficiency and services and increased productivity					

(VI) Staff Factor

		1	2	3	4	5
	The manpower at the bank is sufficient and has contributed to enhanced productivity and organizational excellence					
	Training and education of staff has improved the quality of services and efficiency of operations hence contributing to organizational excellence					
	Personnel optimally address the projects of the bank effectively in a manner that facilitate achievement of organizational excellence					

(VII) Skills Factor

		1	2	3	4	5
	Management skills at the bank has contributed to organizational excellence via increased productivity and efficiency of transactions					
	I.T. staff skills have enables improved organizational performance and result through creation of improved platforms for service delivery					
	Appropriate matching of the skills of the staff at the organization has contributed to success of the organization					

Appendix 2 – Research Permits


REPUBLIC OF KENYA


**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION**

Ref No: 558482 **Date of Issue: 04/October/2019**

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This is to Certify that Ms. Lilian Atega of Africa Nazarene University, has been licensed to conduct research in Nairobi on the topic: Influence of Mckinsey's 7s Framework on Organizational Excellence of Development Banks in Kenya: A Case Study of PTA Bank for the period ending : 04/October/2020.

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Appendix 3: Research Approvals and Letters

Dear Sir/Madam,

My name is Lillian Akinyi Adegga and I am currently conducting my Master of Business Administration Degree in the school of Business of Africa Nazarene University on the influence of McKinsey 7s Framework on the organizational excellence of Development Banks in Kenya with special reference to PTA Bank. This questionnaire has been designed to assess how PTA uses the framework to help it improve organizational excellence. There is no right or wrong response, so please provide the answers that best represent your opinion. Your honesty will be of great value for the successful completion of the study. All the data that you will provide will be kept confidential and your identity will not be disclosed at any point.

Thank you for agreeing to take part in the study.

Appendix 3: Map of Study Area: PTA Bank Office Nairobi – 197 Lenana Road

