

**EFFECTS OF ORGANIZATIONAL STRUCTURE ON STRATEGIC
MANAGEMENT PROCESS IN COMMERCIAL BANKS IN KENYA:
A CASE OF KCB BANK KENYA LIMITED**

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DECLARATION

Student's Declaration

I declare that this applied research project is my original work and that it has not been presented in any other university for academic credit.

Signature 

Date 23/8/20

Isabella Wanjira Gichuru

Supervisor's Declaration

This applied research project is submitted for examination with my approval as the university supervisor.

Signature 

Date 23/8/20

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DEDICATION

This applied research project is dedicated to a number of individuals who have made it possible for me throughout my graduate academic studies. I would first of all like to dedicate this paper to my lovely family members who have been very supportive in different ways. Distinctive dedications to my supervisor Dr. Kimani Gichuhi for his scholarly support, guidance, and kindness from the very moment I began the journey of putting together this applied research project.

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ABSTRACT

The significance of strategies to organizations cannot be overemphasized. Strategies are essential to organizations because they provide a sense of direction and outline measurable organizational objectives. Similarly, as an aspect of organizational strategy, the strategic management process is essential in establishing foundation for strategic decision-making in an organizations. The process also provides a consistent framework for managing key activities of a firm. However, in order for the process to be operative, a suitable organizational structure should be put in place because to guide all employees by clearly outlining official reporting relationships that ultimately governs the workflow. The statement of the problem of this study was informed by two key aspects. First, the subject of organizational structure is important in strategic management process but remains an area that has not been adequately explored in Kenya. Secondly, there is a view among some researchers that managers tend to ignore the structure of their organizations while drafting and implementing their strategic plans. The objectives of this study were to determine how centralization of decision-making power, departmentalization, chain of command, and formalization affect strategic management process in commercial banks in Kenya. The results of this study are of significance the policy makers in the banking industry, other industries, and contribute further knowledge to the area of strategic and corporate management. This study was anchored on Fred Edward Fiedler's Contingency Theory. Both qualitative and quantitative methods of research study were used to in this study. Case study approach was used in this study. Both descriptive and correlational methods were the main quantitative data analysis techniques that were used in this study. KCB Bank Kenya Limited's headquarters in Nairobi was the case study institution. The target population of the research consisted of the top, middle and low level management as well as the non-managerial employees of KCB Bank Kenya Limited. Probability sampling, specifically cluster sampling, were used in this study. Questionnaires were used to collect data from the field. Correlation and ANOVA methods were used to analyse quantitative data. Content and grounded analysis methods were used to analyze qualitative data. The findings of the study indicate that there was a positive correlation between centralization of decision making power and strategic management process in commercial banks in Kenya. Departmentalization was also found to affect strategic decision making process, with a rigid departmentalization being considered favorable for effective strategy formulation and implementation. As opposed to a long chain of command, a short chain of command was viewed and appropriate structure for strategic management process. Finally, a formal structure was appropriate for strategy formulation phase of the strategic management process while an informal structure was ideal for the implementation phase. The conclusion drawn from the findings of the study is that organizational structure is positively related to the strategic management process. From the findings of the study, it is recommended that managers of organizations operating in the financial industry as well as other industries should take into perspective and give considerable attention to their structures while carrying out strategic management process in their institutions.

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LIST OF ABBREVIATIONS

ANOVA	:	Analysis of Variation
CEO	:	Chief Executive Officer
KCB	:	KCB Bank Kenya Limited
IBM	:	International Business Machines
IT	:	Information Technology
NACOSTI	:	National Commission for Science, Technology and Innovation
SPSS	:	Statistical Package for Social Scientists

DEFINITION OF TERMS

Centralization of decision-making power: The degree to which important decisions are made by the top management of an organization with the employees implementing the decisions made (Bakonyi & Muraközy, 2016).

Centralized organization structure: A decision-making structure where all critical organizational decisions are strictly made at the executive level (Bakonyi & Muraközy, 2016).

Chain of command: An organization's hierarchy of reporting relationships where instructions flow from top to bottom of the chain and accountability flows in the opposite direction (Elsaid, Okasha & Abdelghaly, 2013).

Decentralized structure: An organization structure where decision-making powers are not confined in the top management but delegated to managers and employees at lower levels of the organization (Bakonyi & Muraközy, 2016).

Departmentalization: This refers to the organizational practice where related individual tasks and activities are grouped into departments (Awa, 2016).

Formalization: This is the extent to which procedures, rules, policies and regulations are defined for employees, organizational units, groups, teams and the entire organization (Andersson, Zbirenko & Medina, 2014).

Formal structure: An organization structure with fixed procedures, rules, policies and regulations that guide processes, operations and activities in an organization (Andersson, Zbirenko & Medina, 2014).

Informal structure: An organization structure with flexible procedures, rules, policies and regulations that guide processes, operations and activities in an organization (Andersson, Zbirenko & Medina, 2014).

Long chain of command: An organization structure composed many relatively small specialized work groups with each group reporting different supervisors and higher-level managers (Elsaid, Okasha & Abdelghaly, 2013).

Loose departmentalization: This is an organizational structure characterized by free and open interaction and collaboration among groups, teams and departments (Awa, 2016).

Low-level management: This is the supervisory as well as the operational level of management and managers at this level usually perform the activities as per the plans of top and middle level management.

Middle-level management: The level of management responsible for executing the plans and policies made by top level managers. Typically this level of management consists of departmental heads.

Organization structure: Organizational structure refers to the formal design and hierarchical arrangement of an organization as regards lines of authority, communications, rights and duties of different offices in an organization (Steiger, Hammou & Galib, 2014).

Rigid departmentalization: This is an organizational structure characterized by very low freedom of interaction and collaboration among teams and departments (Awa, 2016).

Short chain of command: An organization structure composed few specialized work groups with each group reporting one supervisor who in turn reports to the top management (Elsaid, Okasha & Abdelghaly, 2013).

Strategy formulation: The process by which an organization draws a framework and settles on the most appropriate courses of action needed to attain its defined objectives (Alahäivälä, 2014).

Strategy implementation: This refers to the translation of an organization's selected strategy into actions that will lead to achievement of strategic objectives (Brinkschröder, 2014).

Strategic management: Process through which managers formulate and implement strategies geared to optimizing goal achievement, given the existing internal and external environmental and internal conditions (Sa, 2013).

Top-level management: This is the highest level of organizational managers responsible for leading and directing the efforts of other managers and other employees in an organization.

CHAPTER ONE: INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 Introduction

This chapter sets the stage and creates broader picture for the study to capture the audience's attention. It is organized into different sections that elaborate on the study topic by presenting detailed discussions on the dependent and independent variables. The main sections of this chapter of the document, in logical order, are; the statement of the problem, objectives of the study, research question, the study's significance, scope of the study, limitations and delimitations of the study, and the conceptual framework.

1.2 Background to the Study

In this section the researcher delves into appropriate background information touching broadly on the dependent and independent variables of the research topic of the study to build on it. Relevant literature from global, regional and local perspectives are reviewed and discussed.

1.2.1 Strategic Management Process

Overall, strategies and strategic plans are critical to performance and survival of organizations in the increasingly dynamic and unpredictable business environment. Strategies are essential to the attainment of ultimate organizational goals and objectives of organizations irrespective of the size or industry in which they operate, whether for or non-profit. For organization managers and even directors, this implies that leading their organizations strategically is essential if their firms are to attain the desired long-term strong performance. According to Persaud, Woodhouse and Scriven (2016) strategic management is the process in which organizations strive to optimally comprehend the

environment and environmental factors, both within and without their industries, that affect their activities and businesses. It involves an understanding of how the business world is transforming and how organizational knowledge regarding these changes and transformations can be used to the advantage of an organization. The subject of strategic management is manifold conceptualizations of the notion of strategy.

That said, it becomes clear that strategic management process forms an integral and central function of any organization's life. Sa (2013) defines strategic management process as a method used by managers to envisage a strategy and implement the strategy with the aim of achieving sustainable competitive advantage(s). Mišanková and Kočíšov (2014) explain strategic management process as a process by which managers, from a set of existing options of strategies, chooses the most appropriate strategy or set of strategies that will enable an organization achieve desired performance. According to Wheelen and Hunger (2002), strategic management process encompasses four stages: environmental scanning, strategy formulation, strategy implementation and strategy evaluation. This study is more interested with the formulation and implementation.

The formulation phase captures organizational mission, vision, goals and business policy determination. In strategy implementation, organizations get concerned what it will take to make the strategy work and consequently enable the organization to reach the targeted performance. Implementation therefore entails crafting an effective organizational structure and corporate culture. Without effective implementation, it becomes impossible for business strategies to succeed (Hrebiniak, 2006). Despite the varied ways different

authors define strategic management process, the overarching ideology is that the process is not merely a set of rules and policies for organizations and their employees to routinely follow but a philosophical approach to attaining organizational goals and objectives.

Many organizational leaders and managers already understand and appreciate the significance of strategic management process. Globally, Apple Inc., the American multinational technology company, is classic case example of how an effective strategic management process can make companies successful and help them create a competitive edge over the competitors. Johnson, Li, Phan, Singer, and Trinh (2012) advance that currently, Apple is arguably among the most successful companies in the world, with a globally visible brand name that is a household name.

In the hands of the late former Chief Executive Officer (CEO) Steve Jobs and the current CEO Timothy Donald Cook, the company has been able to churn and roll out one innovative and unique product after another all which have gone to become successful in the marketplace. That is what its strategic management process is all about. Designing, develops, and selling unique unmatched consumer electronics and computer products, both hardware and software, as well as selling online services like the infamous iTunes music 'AppStore' (Finkle & Mallin, 2010). Microsoft Corporation is another perfect example of successful strategies and strategic management process. Under the stewardship and leadership of Bill Gates, Microsoft has managed to stay top of the game with continuous improvements in its core products while at the same time developing and introducing into

the market place new and innovative product lines such the Microsoft Azure and Microsoft SharePoint Server.

In Africa, paragons of effective strategic management process include the South African Companies BidVest Group and MTN South Africa. BidVest Group of Companies operates in diversified market majorly in the South Africa market and has been successful for a long time. Madisa (2015) declares that an effective strategic management process has been at the core of the success of Bidvest Groups of Companies. In addition to strategies related to the core business activities, the company has been able to successfully acquire smaller companies in the different industries and markets in South Africa hence its successful and rapid growth. MTN South Africa, the telecommunication company, following its 1994 launch in South Africa, the company embarked on an aggressive growth strategy anchored on and backed by soundly-developed and well-articulated strategies and strategic management process. The result was successful operations and meteoric rise of the company is South Africa's telecommunication industry to become the number two player, second to Vodacom (Bick, Luiz, & Townsend, 2011).

In Kenya, Safaricom Kenya Limited is debatably the most successful company in the country thanks to its effective strategies since its inception. According to researchers Oloko, Anene, Kiara, Kathambi and Mutulu (2014), Safaricom's success in effective marketing strategies are founded on and guided by good strategic management practices. In a review of organizational growth strategies adopted by Safaricom Kenya Limited, Yegon (2015) established that the impressive performance by Safaricom Limited was due

to formulation and implementation of strategies, which is a nut shell implies good strategic management process. In a research study on challenges facing implementation of strategic plans in the public sector, Kimuyu (2011) inferred that organizational performance at Kenya National Bureau of Statistics did not improve as expected due to strategic plan implementation challenges.

It is important to understand the entire process of strategic management failure to which even the best and professionally crafted organizational strategies are likely to fail. Chaneta (2012) settles that the standards for appraising whether an organization is well managed are based on good strategy formulation combined with effective strategy execution.

1.2.2 Organization Structure

Organizational structure refers to the formal design and hierarchical arrangement of an organization with reference to lines of authority, communications, rights and duties of different offices in an organization. In order to attain organizational goals and objectives, there must be proper work flow and coordination of different functions in the organization. Organizational structure is a valuable tool that comes in handy in achieving coordination for proper management of activities as it stipulates reporting relationships, delineates formal communication channels, and describes how different functions, units and departments are linked together. The structure describes and outlines how roles, power and responsibilities are assigned, controlled, and coordinated. It defines how information flows between the different management levels existing in an organization (Sablynski, 2012).

All these attributes of structure work towards the common goal of realization of organizational goals and objectives. The main structural dimensions are work specialization, departmentalization, centralization, chain of command, formalization, and span of control (Al-Qatawneh, 2014; Bozkurta, Kalkan & Arman, 2014). In this study organizational structural elements were limited to departmentalization, centralization, chain of command and formalization.

There is an essential and direct relationship between organizational structure and the strategic management process as established by Kavale (2012) in a review of four major American firms; Du Pont, General Motors, Standard Oil, Sears, Roebuck and Company. In keeping with the findings of Kavale, other authors Steiger, Hammou and Galib (2014) contend that that there is a close knot and intertwinement of organizational structure and strategic management process. Whittington (2002) underscores that organizations structures are an essential part of strategy implementation. Referring to International Business Machines Corporation's (IBM) organizational structure, Lombardo (2017) emphasizes the importance of organization structure in the performance of organizations. According to Lombardo, structure enabled the firm to grow, especially following structural changes it implemented in 2015.

The relationship between structure and the strategic management process can be viewed with regard to utilization of organizational structure as a means of implementing strategy. Consequently, the two should be integrated with the structure being designed to fit the strategy and the strategic management process (Munyoroku, 2012). Researchers like Tran

and Tain (2013) have argued that there exists a fit between organizational structure and the strategic management process and this fit leads to better organizational performance since the structure provides the necessary systems and processes essential for successful strategy implementation. Maduenyi, Oke and Fadeyi (2015) argue that organizations which are able to realize a good match between their structure, strategy and strategic management process can create a significant competitive advantage.

1.2.3 Overview of Commercial Banks in Kenya

Commercial banks in Kenya have experienced significant growth in the past few years. This growth was in terms of enhanced financial performance as indicated by the year 2013 figures which demonstrated an overall growth of 15.9 per cent in the total net assets of commercial banks, upward trend in customer deposits which stood at 13.5 per cent in the same year, and geographic expansion across Kenya to reach new clients and capture network effects (Lau, 2015). According to Central Bank of Kenya's (2019), directory of licensed commercial banks, there are currently 40 commercial banks operating in Kenya. These included seven representative offices of foreign banks and several financial institutions including building societies and mortgage finance companies.

The exemplary financial performance and tremendous and rapid growth of commercial banks is attributable to formulation, adoption and effective implementation strategies as well as effective strategic management process. For instance, geographic expansion is one of the strategies that has been extensively used by Kenyan commercial banks, with some of them going to the extent of establishing there in neighboring East Africa countries. This

intensive investment in extensive distribution channels has led to spectacular growth in the number of accounts (Gubbins, 2015). Adoption and implementation of Information Technology (IT) in running the business has contributed to notable impact on commercial banks in Kenya. Agency and mobile banking are ideal examples of how IT has revolutionized the sector. Most Kenyan commercial banks have subsequently embraced the emergence of agency banking to enhance their services and performance (Wambugu, 2011).

1.3 Statement of the Problem

A problem statement is a description of the issue(s) that a research expects to address and the research and knowledge gaps intends to bridge. It guides the researcher in centering and focusing on the study (Fischler, n.d). Bryman defines statement of the problem (2007) as a statement about an area of concern, a condition to be improved upon, a difficulty to be eliminated, or a troubling question that exists in scholarly literature, in theory, or within existing practice. The statement of the problem of this study is informed by two key aspects. First, the subject of organizational structure is important in strategic management process but remains an area that has not been adequately explored in Kenya hence the researcher intends to contribute.

Additionally, there is paucity of research studies on effects of organizational structure on strategic management process in commercial banks in Kenya due to inadequate research studies conducted in the area. Comparable studies that have been conducted in Kenya in relation to the subject of organizational structure and organizational strategy include Muiruri's study in influence of strategic management practices on performance of

commercial banks in Kenya (Muiruri, 2017). In another related study, Waithera (2015) set out to establish strategic management practices and organizational culture at the Family Bank Limited Kenya. The findings of the study indicated organizational culture was a key challenge to the strategic management process. According to the study, an unsuitable culture resulted in poor strategic management practices which in turn affected the firm's performance. Ochoki (2014) carried out a study on relationship between growth strategy and organization structure of commercial banks in Kenya and established that there was a positive relationship between the two variables.

This study intends to bridge the scarcity of studies focusing the subject of organization structure and how it affects strategic management process among Kenyan organizations. Absence of research studies conducted with a focus on the relationship between organizational structure and strategic management process this particular survey worthwhile. Additionally, another gap that the research intends to plug is the view among some researchers that some managers tend to ignore the structure of their firms while drafting and implementing during strategic management process.

1.4 Objectives of the Study

This study was guided by both general and specific objectives. These objectives are as highlighted below.

1.4.1 General Objective

The general objective of this study was to study the effects of organizational structure on strategic management process in commercial banks in Kenya.

1.4.2 Specific Objectives

- i) To determine how centralization of decision-making power affects strategic management process in commercial banks in Kenya.
- ii) To establish how departmentalization affects strategic management process in commercial banks in Kenya.
- iii) To examine the relationship between chain of command and strategic management process in commercial banks in Kenya.
- iv) To assess how formalization affects strategic management process in commercial banks in Kenya.

1.5 Research Questions

- i) How does centralization of decision-making power affect strategic management process in commercial banks in Kenya?
- ii) How does departmentalization affect strategic management process in commercial banks in Kenya?
- iii) What is the relationship between chain of command and strategic management process in commercial banks in Kenya?
- iv) How does formalization affect strategic management process in commercial banks in Kenya?

1.6 Significance of the Study

This study of is expected to be a learning paradigm in the banking sector and the financial services industry in Kenya to enhance managers knowledge on how organizational structure and the strategic management process interact. The research is designed to help

managers to better position to evaluate the effectiveness of their organizational structure in supporting the strategic management process of their organizations and therefore the performance of the firms. This study also contributes to the improvement of the policy making process in KCB Bank Kenya Limited with regard to demarcation of the firm's structure. It encourages them to come up with policies that demarcate suitable organizational structure that must be observed by all employees of the organization.

From the findings of the study, the top management of KCB Bank Kenya Limited is in a better position to comprehend and effect appropriate structural changes to maximize on the strategy implementation process. This also applies to managers of other financial institutions in Kenya as well as other industry players. To the academicians, the findings of this study is a stimulus to conduct other survey in the same and related industries in order to grow the existing body of knowledge.

1.7 Scope of the Study

This study was limited to commercial banks in Kenya. Specifically, the study was carried out in KCB Bank Kenya Limited headquarters in Nairobi after which generalizations are extrapolated to other commercial in Kenya. The study period covered KCB Bank Kenya Limited's 2017 to 2018 financial year. Rationale behind this chosen period is that it is between this period that commercial banks in Kenya experienced tremendous performance financially and also in other strategic aspects (Gubbins, 2015). As regards specific objectives, the study was restricted to centralization, departmentalization, chain of command, and formalization. Geographically, the scope was the organization's headquarters in Nairobi.

1.8 Limitations of the Study

One of the anticipated limitations to this study was that data collection process could have taken longer than the expected one week. This, it was anticipated, would affect the timelines that the researcher had set to complete the study. To overcome this challenge, the researcher maintained constant communication with the contact persons at KCB Bank Kenya Limited and asked them to help in fast-tracking the process of data collection. Additionally, since the researcher used the mixed method, it was rather challenging because of the need for extensive data collection, the time, intensive nature of analysing both text and numeric data and the requirement for the researcher to be familiar with both quantitative and qualitative types of research.

1.9 Delimitations of the Study

The research study was conducted among the three levels of management at KCB Bank Kenya Limited, that is, the top management, middle-level management, and the first-line managers as well as non-managerial employees of the organizations. The reason for this was that the holders of these positions have first-hand information on how the organization is structured and how the structure affects the strategy formulation of and implementation in the institution while the non-managerial employees are the strategy implementers hence have raw feedback on the implementation process. Another delimitation of this study was that from the six elements to organizational structure, it focused on only four, namely centralization of decision-making power, departmentalization, chain of command, and formalization.

Additionally, while the author of this paper acknowledged that there are four main dimensions of strategic management process, viz. environmental scanning, strategy formulation, strategy implementation and strategy evaluation (Wheelen & Hunger, 2002) this study focused on two aspects which the researcher considered as the most crucial in the entire process. Finally, instead of focusing on all commercial banks in Kenya, the study was limited to KCB Bank Kenya Limited and the findings are extrapolated to cover all other commercial banks in the country.

1.10 Conceptual Framework

The diagram below is a representation of the conceptual framework of the study. A conceptual framework is a diagrammatic presentation that expresses the relationship between the independent and dependent variables (Adom, Adu-Agyem & Hussein, 2018). The framework delineates the way ideas were organized to achieve the research purpose of this study and also played an important role in guiding the process of this research study.

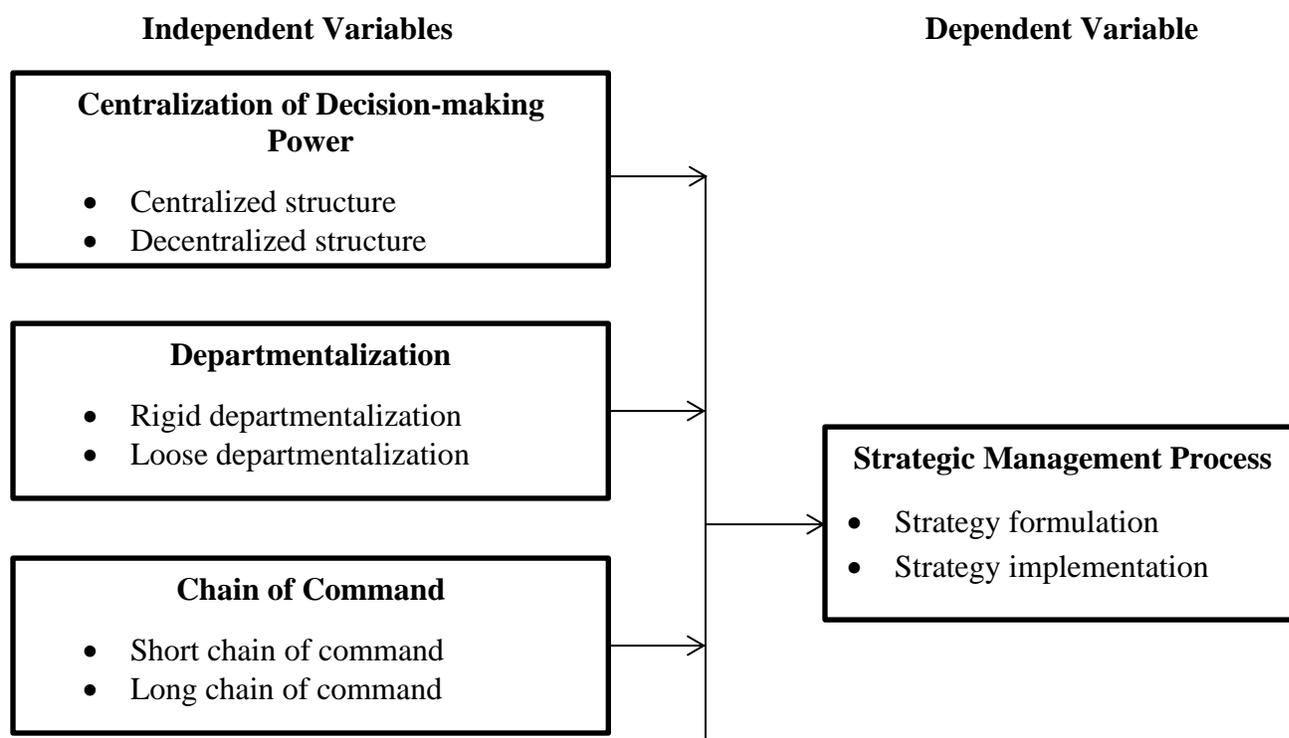


Figure 1.1: Conceptual Framework

Source: Researcher (2019)

Figure 1.1 infers that the four aspects of organizational structure namely centralizations of decision making power, departmentalization, chain of command and formalization play integral role in the process of strategic management. In addition to other organizational and environmental factors, the structure of an organization is imperative in determining whether a strategy will succeed the levels of success of a strategy.

CHAPTER TWO: LITERATURE REVIEW**2.1 Introduction**

This chapter covers review of empirical literature in areas related to the four specific objectives of the study. The chapter also cover theoretical review, a review of Contingency Theory, which is relevant to the dependent and independent variables of the study. The chapter concludes with a summary of the literature and identification of the resultant research gaps.

2.2 Theoretical Review

In the course of the entire strategic management process, that is formulation, implementation and evaluation of strategies, strategic management theories are applicable to the management of organizations and are important to managers in making strategic and guided managerial decision. This study was guided by Contingency Theory and Survival-Based Theory.

2.2.1 Contingency Theory

Managers are essentially leaders in their organizations. They provide leadership to the general employee population and provide direction which employees should follow in executing their duties and responsibilities. Directions take the form of laid down policies and procedures as well as the day day-to-day actions and verbal directions given by the managers. Consequently, the contingency theory, which focuses more on leadership provided by leaders in organizations, is a suitable theory on which to base this research study. Contingency Theory was developed by Austrian psychologist Fred Edward Fiedler (1964). The theory, which draws that there is no single best way or approach to manage organizations, essentially implies that for managers to be successful in leading and managing organizations to attain the desired objectives, they must study and take into consideration environmental as well as contextual factors that directly and indirectly affect the activities and subsequently the performance of their organizations (Islam & Hu, 2012).

It therefore follows that effectiveness of strategic management process was contingent upon the interplay between the strategic management process and specific situations. Organizations should therefore develop managerial strategies that are based on situations

and contexts in which they are operating. Strategies must be made not just to suit the desires of the managers' strategic plans but also the structure of the organization. On the flip side, organization structures can be developed and adjusted with the strategy and strategic management process in mind so that at the end of the day, the structural dimensions fit with the strategic management process (Zigan, 2012).

The applicability of this theory to this study can be viewed from the perspective of dependability of success of strategic management process to contingent factors which in this case is organizations structure and contrariwise. For instance, at the strategy development phase, managers in organizations need to take into perspective and evaluate the strategy they intend to adopt against the existing chains of command, centralization of decision-making, and formalizations among other structural aspects and ascertain that there is a fit. In instances where there is not fit, then the necessary adjustments must be made either to the strategy or to the organizational structural elements or order to match the contingent factors.

2.3 Empirical Review of Literature

Empirical reviews of previous literature, based on the specific objectives of this study are carried out in this section of the chapter in order to establish the findings of previous researchers and identify possible research gaps.

2.3.1 Centralization of Decision-Making Power and Strategic Management Process

Centralization refers to the degree to which decision-making power and authority is concentrated at the high levels in an organization. Structurally, organizations can have

either centralized or decentralized systems. In centralized systems, important organizational decisions are made at the apex, the higher levels of the hierarchy. Organizations that have centralized structures assign decision-making responsibility to higher-level managers consequently placing greater demands on the judgment capabilities of the high-level managers. With regard to strategic management process, one of the benefits of having centralized decision-making systems in organizations is more efficient operations especially if an organization is operating in a stable environment. Centralization may also lead to expeditious execution of strategies and swift reaction to the environmental changes because fewer people are involved in discussing and deciding on strategy and action (Ambrose & Cropanzano, 2000).

Contrary to centralized systems, decentralized systems are characterized by delegated of decision-making powers to low level managers and employees who are considered to be closer to the issues that need attention. In essence, decentralized organizations give more authority to low level managers and employees thus resulting in a sense of empowerment (Ambrose & Cropanzano, 2000). Neither centralized nor decentralized structures are perfect in itself, it also depends on the contexts in which organizations are operating. Similarly (Charan, 2006) and Marquez (2007) posit that although striking the right balance between decentralization and centralization can prove to be a challenge to many organizations, finding the right balance is an essentiality which managers should strive to achieve.

Structure centralization is essential for strategy implementation in organizations. This is according to a study on influence of centralized structure on strategy implementation in the Nakuru County government. Following analysis of the data collected and taking into perspective the findings of the study, the authors concluded that structure is a significant predictor of strategy implementation (Atieno & Juma, 2015). A similar finding was reached in another study on centralization of decision making authority in inter-organizational networks (Gurcaylilar-Yenidogan & Windsperger, 2013). The findings of this study by Gurcaylilar-Yenidogan and Windsperger were that there was a relationship between decision-making authority and the automaker's and supplier's intangible knowledge assets and relationship-specific investments as well as environmental uncertainty in the automotive networks.

In keeping with the above two authors and appreciating the significance of decision making strategic management and attainment of organizational goals and objective, Nooraie (2014) accentuates that in order to be effective in the strategic management process, remain competitive and successful in the contemporary highly competitive business environment, managers need to devote a significant amount of skill, knowledge, and attention to managerial decision-making. Schools are also organizations and as such they also rely on effective strategic management process in order to attain their objectives. With regard to that, Androniceanu and Ristea (2014) examined decision making process in the decentralized educational system in line with varied environment changes facing secondary educational systems. The study established that mechanistic structures had numerous setbacks in decision making process in secondary education system.

Contrary to the findings and views held by the above authors and scholars Nelson and Pasternack (2005) assert that in the contemporary rapidly changing business environment coupled with sophisticated and demanding customers, organizations can suffer from extreme decentralization. These scholars further state that centralized operations lead to inefficiencies in decision-making which in turn negatively affect strategic management process. To substantiate their assertions, Nelson and Pasternack cite the consequences of centralized decision-making suffered by Caterpillar Inc., an American industrial equipment manufacturer, in the 1980s. At the time, according to Nelson and Pasternack, all pricing decisions at Caterpillar were made in the corporate headquarters in Peoria, Illinois. This centralization of decision making negatively affected strategic management processes in the company because even salesmen were forced to consult with the head office before making even the most basic decisions like giving product discounts.

Because centralized organizations assign decision-making responsibility to higher-level managers, organizations operating in dynamically changing and uncertain environments can find it difficult to adjust to environmental changes (Parthasarthy & Sethi, 1992). Due to such challenges inherent in mechanistic structures, observe that corporate organizations and even state governments are moving toward organic structures as a way of enhancing the efficiency and effectiveness in strategic management processes and other organizational processes. For instance, from a political perspective, a growing number of countries in the recent decades have embraced decentralization of governance systems by devolving significant governing authority down from the centre to lower levels (Murugu,

2014). Kenya is an example of one of the countries to adopt decentralized its governance systems in order to fast-track attainment of its numerous development goals.

2.3.2 Departmentalization and Strategic Management Process

Departmentalization refers to the process of grouping jobs together in order to coordinate common activities and tasks. Organizations can departmentalize on the basis of functions or divisions. Under divisional structures, employees act like generalists as opposed to specialists. In functional structures, employees are specialists in their departments. Organizations can also be departmentalized geographically where organizations are structured along geographical locations (Awa, 2016).

The dichotomy of departmentalization is divided into two; rigid departmentalization versus loose departmentalization. Rigid departmentalization is typified by highly autonomous departments or teams. Additionally, there is minimal interaction between the different departments or teams. Contrary to rigid departmentalization, loose departmentalization entails low autonomy between departments and teams and there is more freedom to interact and collaborate between teams and departments (DeStefano, 2014).

There is a bi-directional relationship between strategic management process and organizational structure in the sense that strategic management process influences and is in turn influenced by elements organizational structure. As regards the strategy formulation, the departmentalization becomes an essential facet to consider. Findings on strategic planning process and organizational structure study established that formulation

of the strategic planning process is impacted by employees from different department and divisions of organizations as in the process of strategy formulation, employees tend to focus more on their specific function or division than the organization as a whole (Neis, Pereira & Maccari, 2017).

Moreover, the study by Neis et al. (2017) determined that in organizations characterized by high functionalization, the strategic planning process contributes more manifestly given that the process enables the strategic guidelines to be formulated with the participation of all departments (Neis, Pereira & Maccari, 2017). Kavale (2012) in a review of the growth and development of four large American firms: du Pont, General Motors, Standard Oil of New Jersey, and Sears, Roebuck and Company found that through an implementation of a divisional organizational structure, these firms were able to successfully execute their strategic management processes and were able to grow as a result.

Conversely, as a feature of strategic management process, strategy implementation influences and affects all elements of departmentalization. Strategy implementation impacts the grouping from the moment the departments begin to work together and in partnership in pursuit of broader organizational objectives than the objective of one particular department; thereby strategic planning process unites the departments or divisions. Consequently strategic management process as the potential to change the grouping of the institutions, since the division can extrapolate the functional form and enhance the grouping focused on a product or function, which sets greater potential for flexibility. Moreover, changes in organizational structure resulting from strategic

management process tend to impact indirectly in departments in organizations since this element is directly related to the hierarchical levels and the organization of functionalization (Neis et al., 2017).

Geographic departmentalization, which is common with large multinational organizations often operating beyond the geographical confines of the native countries, requires that organizations formulate and implement new market entry strategies. Success of such organizations requires effective management of their strategic process (Fouraker & Stopford, 1968). Fouraker and Stopford, in their research study on organizational structure and the multinational strategy further, determined that organizations that have been successful in implementing their growth and expansion strategies are those that were able to groom managers that were capable of controlling and guiding heterogeneous, diverse enterprises.

Kavale (2012) carried out a study to determine the relationship between strategy, structure and organizational performance. Results and findings of the study established that there was a relationship between strategic management processes and organizational structure and that the alignment of the two variables affected organizational performance. The researchers concluded that firm managers need to place more emphasis on employee qualifications when formulating departments because the, according to the findings, rigid departmentalization proved effective in the strategy implement.

2.3.3 Chain of Command and Strategic Management Process

As an aspect of organizational structure, chain of command permits coordination of individuals, groups, and departments within an organizational setup engaging in task specialization in order facilitate accomplishment attainment of organizational goals. An unbroken line of authority that extends from the top of the organization all the way down to the bottom. Chain of command clarifies who reports to whom within the organization. Kiptoo and Mwirigi (2014) define chain of command as firm's hierarchy of reporting relationships that delineates where authority and power are vested and how power and authority are delegated and percolate from the top management to low levels of management and eventually to employees at every organizational level. Through the chain of command, authority, responsibility and communication relationships from top to bottom of an organization are specified (Lunenburg, 2012). Chains of command can be long or short.

Institution of clear chains of command in organizations is critical in providing employees at all levels with a supervisor to whom they may ask questions or report problems. This is imperative in creating order in the entire organization. Employees know who to report and most importantly they are able to determine where to report matters of different magnitudes (Elsaid, Okasha & Abdelghaly, 2013). For instance, any employee in the organization cannot bypass other managers to seek audience with the CEO who is the top most individual in an organization. Audience must first be sort and if possible issues addressed with managers at lower levels before they can be escalated further.

According to Kiptoo and Mwirigi (2014), there are certain critical factors that affect strategic management process. Drawing from the study published by these authors, these factors touch majorly on organizational structure. The authors note that aspects of organizational structures such as reporting relationship, essentially the chain of command, which tend to be unique from one organization to another, significantly affects strategy implementation. Further, organizational managers must consider whether their organizations' chains of command in place facilitates free flow of information from one to levels of the organization to the bottom levels and vice versa for the reason that proper chain of command promotes effective co-ordination and co-operation throughout the organization hence high chances of attaining organizational strategic plans, goals and objectives. In the same line of thought, Louw and Venter (2006) add that the formal pattern of interactions, which is fundamentally the chain of command of any organization, bears considerably on attainment of organizational objectives.

While some scholars postulate that established chains of command in organizations create and enhance efficiency when communication or reporting problems or arise, others are of an opposing view. Andersson, Zbirenko and Medina (2014) advance that a long chain of command running through the entire organization from top to bottom is a recipe for bureaucracy in organizations. The damaging effects of such bureaucracies caused by long chains of command include slow decision-making process and inefficiencies, which consequently negatively affects productivity of employees hence hampering achievement of organizational strategic goals and objectives. Results of a research study by Obiga (2014) on challenges of strategy implementation at the Nairobi County government

established that organizational structure substantially affects strategy implementation. Specifically, the findings of the study revealed that factors associated with long command chains such as bureaucratic bottlenecks, long and disharmonious reporting lines, and ineffective communication negatively affected strategy implementation, which is an facet of strategic management process.

2.3.4 Formalization and Strategic Management Process

Andersson et al. (2014) explain formalization as the extent to which policies, procedures, job descriptions, and rules are written and explicitly articulated in an organization. It is a formal regulation within the organization that controls employees' behaviour. With regard to formalization, organizations can either have formal (high degree of formalization) or informal (low degree of formalization) structures. Highly formalized structures have many strict written rules and regulations and include bureaucratic and professional models as their main mechanism of coordination (Janićijević, 2013). Hage (1965) terms this mechanistic organization or a machine bureaucracy which is typified by a large techno structure and support staff. Organizations with formal structures control employee activities and behavior using written rules. Subsequently, employees have little autonomy to make their own decisions but have to refer to the written rules and procedures (Andersson et al., 2014).

High levels of formalization are critical to organizational functioning. This is according to Janićijević (2013). Obiga (2014) and Olson, Slater and Hult (2005) in their research studies concluded that organizational structure, such as formalization, is a critical component of

strategy implementation. High levels of formalization may be preferred in some organizations as it makes increases predictability of employees' behaviors. There is a lot of consistency among employees across the organization when resolving issues respond to issues (Andersson et al., 2014). In a comparable study, Basol and Dogerlioglu (2014) reached a similar conclusion that formalization and specialization increase organizational effectiveness.

On the contrary, according to Andersson et al., (2014), high degree of formalization can have a counter effect in attainment of strategy implementation and derail attainment of organizational goals and objectives. Strict written rules and regulations may lead to reduced innovativeness and creativity among employees because they are used to operating from a 'manual'. Such structures may also reduce motivation and job satisfaction among employees. Moreover, strategic decision-making in such organizations often occurs only when there is a crisis and decision-making processes in such institutions are slow. For instance, in a research study carried out by (Andersson et al. (2014) employees expressed concern that that high degree of formalization decreased the quality of their departments.

On the other hand, some scholars associate informality (low degree of formalization) with high strategic performance in organizations (Claver-Cortés, Pertusa-Ortega & Molina-Azorín, 2012). Also termed adhocracy, low levels of formalization tend to be favoured by employees as it allows room for flexibility in work processes. At the same time, informal structures minimize administrative needs and reduce conflicts between organizational efficiency and employee job satisfaction (Steiger, et al., 2014).

2.4 Summary of the Reviewed Literature

From the literature review, it is palpable that all authors concur on the significance of organizational structure to general organizational performance, successful strategy implementation and effective strategic management process. However, with regard to the different specific elements of organization structure reviewed in the previous sections and sub-sections, different authors hold varied and in some instances opposing views. For instance, some scholars and researchers hold the view that high formalization levels are critical to organizational performance while others are of contrary view. The results of some studies indicate that centralized structures are key to successful strategy formation and implementation.

2.5 Knowledge Gap

From the reviewed literature, research gaps are raised by three fundamental aspects. One of the aspects is that despite various studies having been carried out in Kenya on the subjects of organization structure and strategic management process, existing studies have addressed these subjects differently and no research study has brought these two aspects in the same study as does this research. Additionally, no single study has been conducted on strategic management process as one item. Existing studies have broken strategic management process to its various elements namely strategy formation, strategic planning, and strategy implementation. A third research and knowledge gap arises from the realization that no study has been conducted on the subjects of organization structure and strategic management process in among commercial banks in Kenya. It is against these backdrops that the researcher of this paper intended to carry out a study to determine effects

of organizational structure on strategic management process in commercial banks in Kenya with a focus on KCB Bank Kenya Limited.

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

Chapter three of this paper describes and explains the methodologies to be used during the research process. Both qualitative and quantitative approaches to research were used to conduct this study. Cross-sectional descriptive research design was used for the study. In data collection, questionnaires were administered to the selected sample from the target population by the researcher. The target population was sub-divided into clusters based on their position in the organization's hierarchical structure.

3.2 Research Design

Parahoo (1997) defines research study design as a plan that describes how, when and where data are to be collected and analysed. De Vaus (2001) refers to it as the overall strategy that a researcher chooses in order to integrate the different components of the study in a coherent and logical way to ensure that the research problem is effectively addressed. De

Vaus further spells out that research design constitutes the blueprint for the collection, measurement, and analysis of data.

Case study approach is the main qualitative approach that was used in this study. As explained in the first chapter of this paper, KCB Bank Kenya Limited was the case study institution. Both qualitative and quantitative methods of research study were used to conduct this study. Descriptive and correlational approaches are the two types of quantitative research design that were used in the study. Combination of these designs was integral in enhancing the results and findings of the study by ensuring that the shortcomings of one approach were offset by the advantages of the other (Williams, 2014). The target population of the research consisted of the top, middle and low level management as well as the non-managerial employees of KCB Bank Kenya Limited. Probability sampling, specifically cluster sampling, was used in this study. Questionnaires were used to collect data from the field. Correlation, Chi-square and Analysis of Variation (ANOVA) methods were used to analyse the data.

3.3 Research Site and Rationale

This research study was conducted in KCB Bank Kenya Limited's headquarters located within Nairobi City Central Business District. The rationale for choosing this location is that it is the headquarters of the bank where most managers of the institution are based. Additionally, the headquarters has the appropriate number of non-managerial employees who were to be involved in the study. The managers and employees found at the chosen site have adequate, reliable and first-hand information and experience on the structure of the organization and how the different aspects of the organization's structure affect the

firm's strategic management process. Moreover, the centrality of the headquarters made the data collection process less tedious.

3.4 Target Population

According to Thompson (2012), target population can be defined as a set of individuals or objects with some common observable characteristics of a particular nature. It can also be defined as the population to which a researcher will generalize the result of a study. The target population of this research consisted of the top, middle and low level management as well as the non-managerial employees of KCB Bank Kenya Limited. In this research, 22 top level managers, 46 middle level managers, 84 first-line managers and 371 non-managerial employees were targeted (Kenya Commercial Bank Limited, 2018).

Table 3.1 Target Population Characteristics

Target Population Characteristic	Frequency
Top-level management	22
Middle-level management	46
Low-level management	84
Non-managerial employees	371
Total	523

Source: Kenya Commercial Bank Limited (2018)

3.5 Sampling Procedure

The sample design was determined before data is collected as well as lay down the number of items to be included in the sample. Sampling was used in this research as it reduces the amount of data to be collected while at the same time not compromising on the application

of generalization of the results of the study (Saunders et al., 2003)., Probability sampling technique, specifically random sampling, was used in selecting the population sample. This was done with an objective of arriving at a sample that is representative of the entire target population within the organization as well as in the industry. This, according to Mugenda and Mugenda (2003), gives each participant in the targeted population an equal chance of being selected for the study.

3.6 Sample Size

According to Kadam and Bhalerao (2010), sample size for any research study depends on acceptable level of significance, power of the study, expected effect size, underlying event rate in the population, and standard deviation in the population. Cochran's formula was used to calculate the population sample size (Higgins, Bartlett & Kotrlik, 2001). The Cochran formula is:

$$n_0 = \frac{Z^2 pq}{e^2}$$

Where;

n_0 is the sample size

e is the desired level of precision (i.e. the margin of error)

p is the (estimated) proportion of the population which has the attribute in question

q is $1 - p$

the Z value is read from the Z table (see appendix D)

Using the above formula, taking a p value of 0.3 (maximum variability) a 95% confidence level and $\pm 5\%$ precision. The resulting sample size was found to be 138 individuals.

$$n_0 = \frac{(1.96)^2 0.3 \times 0.3}{(0.05)^2} = 138$$

To capture significant proportions of each segment, the distribution was as shown in Table 3.2.

Table 3.2 Distribution of the Sample Size

Target Population Characteristic	Frequency	Sample Size
Top-level management	22	11
Middle-level management	46	18
Low-level management	84	44
Non-managerial employees	371	65
Total	523	138

Source: Researcher (2019)

3.7 Data Collection Procedure

Primary data was collected. Primary data is the information the researcher obtained from the field. Questionnaires were used to collect the data. The questionnaire contained the questions which comprised both closed and open-ended questions. These types of questions were accompanied by a list of possible alternatives from which respondents were required to select the answer that best describes their situation. The main advantage of closed ended questions is that they are easier to analyze since they are in an immediate

usable form. They are also easy to administer because each item is followed by an alternative answers and is economical to use with regard efficiency of time.

3.8 Research Instruments

A well-developed questionnaire capturing all the four objectives of the study was exclusively used to collect data for this research study. The questions in the data collection instrument were both closed-ended and open-ended focusing on the indicators of each of the four objectives. The following three sub-sections explain how the quality of the tool was ensured through test-piloting, reliability and validity assessment.

3.8.1 Piloting of Research Instrument

According to Orodho (2014) for a questionnaire to provide useful results, the questions must be both valid and reliable. Reliability measures the relevance of the questions included in the questionnaire. Pilot-testing enables the researcher to receive important feedback on how questions are to be recorded or restructured. The questionnaire needs to be pre-tested under field conditions before it is ready for the field (Somekh, 2015). It is imperative for the researcher to pretest research instruments to enhance clarity of the instruments to be used. The purpose of enhancing clarity is to ensure collection of accurate information and to correct any deficiencies revealed during pre-testing exercise (Mugenda, 2009). The researcher pre-tested the questionnaire on individuals from KCB Bank Kenya Limited however the findings did not form part of the main data collection sample.

The questionnaire to the respondents was designed to capture their independent views on the effects of organizations structure on strategic management processes. Mugenda and Mugenda (2012) notes that validity has to do with how accurate the data obtained in the

study represents the variables of the study and is a true reflection of the variables. It is only then that inferences based in such data would be accurate and meaningful.

To ascertain validity of the questionnaire the researcher consulted statisticians for further improvements to make criticism and comments on the same. Their comments were incorporated in the questionnaires before the final administration of the instruments on the participants of the study. Also, during the questionnaire testing, the researcher freely interacted with the respondents. The friendly atmosphere enabled the researcher to discover some short-comings in the research instruments and, therefore, made necessary adjustments before using them for the actual study. Responses to the test indicated to the researcher how well the variables of interest were represented for meaningful data, enabling appropriate adjustments to be made.

3.8.2 Validity of Findings

According to Li (2016), validity is the degree to which an instrument accurately measures what it intends to measure. Three common types of validity are content, construct, and criterion validities. Content validity will mainly be used to measure the validity of the questionnaire that was used to collect data. Content validity is defined as the extent to which the data collection instrument is fairly representative of the various aspects of the specific construct it seeks to measure (Tojib & Sugianto, 2006). In measuring content validity of the questionnaire, the researcher determined the extent to which the instrument adequately captures the all the four specific objectives of this study. This was attained during the pilot-test phase and participants of the test were asked to comment on how adequate the questions were in capturing the main objectives of the study. It was expected

that the results of the construct validity would indicate that the instruments accurately and adequately measured the objectives of the study.

3.8.3 Reliability of Research Instrument

A test- retest technique was conducted. A measure was considered reliable if a research's finding on the same test given twice was similar. Reliability ensured that there was precision with which data is collected. If the same results are gained time after time, no matter how many times you conduct a piece of research, this suggests that the data collected is reliable (Mugenda & Mugenda, 2013). To ensure the reliability of the questionnaire, Cronbach's Alpha test was used to determine the reliability of the data collection instrument. According to Tavakol and Dennick (2011), reliability coefficient of 0.7 or higher is acceptable in social science research situations. The questionnaire was administered to the test group twice after a given interval and the results were compared. A value of 0.7 or more, as suggested by Tavakol and Dennick, indicated that the instrument is reliable and was therefore accepted for this study.

3.9 Data Analysis and Presentation

For data collected to have a meaningful meaning, it needs to be analyzed in a way that it is easy to be understood by the common man. This included an analysis of data to summarize the essential features and relationships of data in order to generalise and determine patterns of behaviour and particular outcomes. Both descriptive and correlational methods were the main quantitative data analysis techniques that was used in this study while the qualitative data was analyzed using content and narrative analysis approaches. Analysis was carried out using Statistical Package for Social Scientists (SPSS) Version 25.

3.10 Ethical Considerations

There are certain procedures which are ethical in social research that ought to be followed by researchers due to the fact that researchers use people to get information from and on people. Hence certain moral considerations researchers have to take into account when dealing with fellow human beings (Mugenda & Mugenda, 2003). Cloke et al., (2004) and Hammersley and Atkinson (2007) assert that it is increasingly recognized that conducting research and particularly qualitative research requires reflection on ethical considerations. To begin with, before proceeding to the field to collect data and conduct study, permission from relevant authorities was sought. The researcher sought permission and obtained authorizing permit from National Commission for Science, Technology and Innovation (NACOSTI) to collect data from the field. Consent was also sought from relevant authorities in areas where the research was carried out.

Additionally, the research followed all laid down procedures and research conduct rules by Africa Nazarene University. The researcher did not proceed to the field to collect data before being cleared by the university and given the go-ahead to do so. A letter of introduction from the university was obtained for the purposes of proper identification.

CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.1 Introduction

This chapter presents statistical results obtained from analysis of the data collected from the respondents. The findings relate to the objectives that guided the study. The chapter begins with presentation of findings and concludes with analysis by objectives.

4.2 Response Rate

This section reviews the success, or rate, of the data collection process as well as the relevant background information of the respondents.

Going by the sample size presented in the previous chapter, the researcher used 138 questionnaires to collect data from the field. The data collection process was largely successful. The researcher was able to collect back from the field all the issued questionnaires. Table 4.1 presents response rate based on questionnaires.

Table 4.1 Response Rate Based on Questionnaires

Questionnaires Administered	Questionnaires Returned	Questionnaires used in Analysis	Response Rate
138	138	134	97%

Source: Researcher (2019)

Out of the 138 questionnaires that were issued, 134, representing 97% response rate, were fully and appropriately answered by the respondents hence used in data analysis. Fincham

(2008) advances that a response rate of at least 60% is sufficient thus allows a researcher to proceed with data analysis. Consequently, given that the response rate during data collection was beyond the level advanced by Fincham, the researchers was able to proceed in using the collected data to carry out analyses of the different research questions.

4.3 Demographic Characteristics

4.3.1 Level of Management in the Company

Information on the proportion of respondents by position they hold in the organization was essential in this study in ascertaining the quality data collected.

Table 4.2 Level of Management in the Company

Rank in the organization's structure	Percentage
Top level management	5%
Middle-level management	18%
Low-level management	29%
Non-managerial position	48%
Total	100

Source: Researcher (2019)

Table 4.2 present the findings obtained with regard to respondents' level of management in KCB Bank Kenya Limited. Majority of the respondents, 48%, were employees in non-managerial position. About 29% of the respondents were first-line managers. Approximately 18% and 5% middle-level and top-level managers respectively. The finding presented in Table 4.2 shows that cumulatively, majority of the survey participants were

from the holding managerial positions in the organization which implies that information was highly reliable for the purposes of this study.

4.3.2 Length of Service

The researcher was also interested in finding out the number of years the survey respondents had served in KCB Bank Kenya Limited as this was important in establishing how informed they were about the organization's structure and the strategic management processes that have taken place in the organization over the years. Table 4.3 presents an analysis of duration served in the organization by the respondents.

Table 4.3 Length of Service

Duration of service	Percentage
Less than 1 year	3%
1–3 years	6%
4–6 years	10%
7–9 years	70%
10 years and above	11%
Total	100

Source: Researcher (2019)

From this table, 3% of the respondents had worked for KCB Bank Kenya Limited less than 1 year. Those who had worked for the organization for between 1–3 years were 6% while 10% had worked for the organization for between 4–6 years. Approximately 70% had

worked for KCB Bank Kenya Limited for between 7–9 years. The rest 11% had been with the KCB Bank Kenya Limited for more than 10 years.

Having considerable experience in the changes that take place in an organization is very essential in commenting about the direction and organization is taking as well as the outcomes of the various decisions and strategies that have been implemented in the organization over time. The fact that over 80% of the respondents had worked with KCB Bank Kenya Limited for more than four years shows that they had experienced changes in KCB Bank Kenya Limited's structure and strategy and were therefore in a position to give reliable information on the same.

4.3.3 Highest Level of Education

Academic qualification is also essential in enhancing cognitive abilities and understanding of the processes taking place in an organization hence the relevance of the question on highest level of education attained.

Table 4.4 Highest Level of Education Attained

Highest education level	Percentage
College Certificate	1%
College Diploma	4%
Undergraduate	74%
Graduate	18%
Doctorate	3%
Total	100

Source: Researcher (2019)

Majority of the respondents (74%) as shown in Table 4.4, are undergraduate degree holders. About 18% of the respondents were graduate degree holders. Approximately 3% were holders of doctorate degrees. The remaining 1% and 3% were college certificate and college diploma holders respectively.

A significant proportion of the bank's employees who participated in the interview have attained a minimal academic qualification of undergraduate education. This shows that KCB Bank Kenya Limited has largely employed individuals with capacity to meaningfully participate in the process of strategic management and execute the relevant action activities to enhance chances of realization of strategic objectives of the organization.

4.4 Centralization of Decision-Making Power

Centralization of decision-making power is critical for successful strategic management process. The decision on whether to have a highly centralized system or one which is not highly centralized fundamentally determines whether an organization will be successful with its strategy formulation and implementation processes. For this reason, questions were asked on the level of centralization of decision-making power to get the respondents' views on how this affected the strategic management process in KCB Bank Kenya Limited.

Ratings of centralization of decision-making power in KCB Bank Kenya Limited depicted in Table 4.5 indicate that 69% of the respondents are of the view that centralization of decision making power is very low. Centralization was rated as low in the organization by 18% of the respondents while 6% opined that it was moderate. About 5% of the survey

respondents were of the opinion that the level of centralization was high and the remaining 2% were of the opinion that it was very high.

Table 4.5 Rating of Centralization of Decision-Making Power the Organization

	Very Low	Low	Moderate	High	Very High
How would you rate centralization of decision-making power in KCB Bank Kenya Limited ?	69%	18%	6%	5%	2%

Source: Researcher (2019)

These findings suggest that generally, in KCB Bank Kenya Limited the top management of the financial institutions has opted to delegate more decision making power to the low level managers who are likely to have delegated decision making power to non-managerial employees. This can potentially be explained by the view that given the highly competitive nature of the banking sector in the country, there is need to respond to clients demands quickly and almost in a short notice in order to enhance customer satisfaction and improve customer experience. Failure to delegate decision making power to the lowest level implies that it might take long before customers' needs and concerns are addressed and this might have negative repercussions on the institution's performance.

In the opinion of 78% of the respondents, as depicted in Table 4.6, centralization of decision-making power affects the firm's strategy formulation process of KCB Bank Kenya Limited while 22% were of a contrary opinion.

In reference to Table 4.6, 81% of the survey participants affirmed that centralization of decision making power affects KCB Bank Kenya Limited's strategy implementation process while 19% of them were of a contrary view.

Table 4.6 Centralization of Decision-Making Power and Strategic Management Process

	Yes	No
In your opinion, does centralization of decision-making power affect the strategy formulation process of KCB Bank Kenya Limited?	78%	22%
In your opinion, does centralization of decision-making power affect effectiveness of the strategy implementation in KCB Bank Kenya Limited?	81%	19%

Source: Researcher (2019)

As expected, majority of the respondents indicated that the level of centralization of decision making power affects the organizations strategy formulation process. The direction and relationship between these two indicators of structure and strategic management process respectively is not revealed at this stage (but in the latter analyses). However, what comes out is irrespective of the relationship, whether positive or negative, the existence of a relationship between the two is a foregone conclusion. Similarly, the requirement on whether or not to strictly follow laid-down rules and regulations also determines how effectively strategies are implemented in KCB Bank Kenya Limited. According to the results, there could be a possibility that formal structure either positively or negatively affect the process or vice versa.

As captured in Table 4.7, 67% of the respondents were of the view that centralization of decision making process affected strategy formulation in KCB Bank Kenya Limited to a

great extent. About 19% were of the view that the effect is to a moderate extent while 8% considered the effect of centralization of decision-making power on strategy formulation to exist to a minor extent. The rest 7% viewed that the effect was not there at all.

Likewise, the results of data analysis capture in Table 4.7 show that centralization of decision making process affect strategy implementation to a great extent according to 67% of the respondents while 18% of them were of the view that the effect on strategy implementation was to a moderate extent. About 10% of the respondents found the effect of centralization of decision-making power on strategy implementation to exist to a minor extent and the remaining 5% viewed that there was no effect at all on strategy implementation as a result of centralization of decision-making power.

Table 4.7 Decision-Making Level Power and Strategic Management Process

	Not at All	To a Minor Extent	To a Moderate Extent	To a Great Extent
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In your view, to what extent does centralization of decision-making power affect the strategy formulation process of KCB Bank Kenya Limited?	7%	8%	19%	67%
In your view, to what extent does centralization of decision-making power affect effectiveness of the strategy implementation in KCB Bank Kenya Limited?	5%	10%	18%	67%

Source: Researcher (2019)

The findings indicate that as far as strategy formulation and implementation is concerned, centralization of decision making power in KCB Bank Kenya Limited is very essential. This is evidenced by the significant majority of the respondents who expressed that view that the organization needed a centralized system to ensure that these to aspects of the strategic management process are effectively executed.

As depicted in Table 4.8, there was sharp division on respondents' opinions regarding the importance of centralization of organizational structure to strategy formulation. About 18% of the respondents strongly agreed that a centralized organizational structure is essential to enhance strategy formulation process in KCB Bank Kenya Limited while 30% of the respondents agreed with the question statement. The proportion of survey participants that expressed indifference with regard to this question was 16%. About 23% of the respondents disagreed that a centralized organizational structure is essential to enhance strategy formulation process in the organization and the rest 12% strongly disagreed with the question statement.

At the same time, it was strongly agreed by 38% of the respondents that a centralized organizational structure enhances strategy implementation process in the financial institution. Approximately 25% of the respondents agreed with the question statement while 4% of the survey participants were neutral. Of those who responded negatively to this question, 16% disagreed that a centralized organizational structure enhances strategy implementation process in the organization while 17% strongly disagreed with the question statement as shown in Table 4.8.

That a decentralized structure was necessary for KCB Bank Kenya Limited to effectively formulate effective strategies was a questions statement strongly agreed to by 9% of the respondents while 18% of the survey participants simply agreed to the same question statement. About 11% of the respondents were indifferent while 39% of the survey participants disagreed that to effectively formulate effective strategies there is need for the organization to put in place a decentralized structure. The rest 23% strongly disagreed with the question statement as indicated in Table 4.8.

Results of analysis captured in Table 4.8 indicate that 8% of the survey respondents strongly agreed that it is important for the organizations to have a decentralized structure in order to have an effective strategy implementation process. The same research question was agreed to by 13% of the respondents while 7% of the expressed neutrality. On the other size of the continuum, 26% of the respondents disagreed that it is important for the organizations to have a decentralized structure in order to have an effective strategy implementation process and the remaining 46% strongly disagreed.

Table 4.8 Centralization of Decision-Making Power

	Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
A centralized organizational structure is essential to enhance strategy formulation process in KCB Bank Kenya Limited.	12%	23%	16%	30%	18%
A centralized organizational structure enhances strategy implementation process in KCB Bank Kenya Limited.	17%	16%	4%	25%	38%
For KCB Bank Kenya Limited to effectively formulate effective strategies there is need for the organization to put in place a decentralized structure.	23%	39%	11%	18%	9%
It is important for the organizations to have a decentralized structure in order to have an effective strategy implementation process.	46%	26%	7%	13%	8%

Source: Researcher (2019)

Generally, from the findings presented in Table 4.8, centralization of decision making power is essential to the strategic management process in KCB Bank Kenya Limited. This can probably be explained by the view that centralized enhanced decision making in the organization and placed responsibility on outcomes squarely on the shoulders of the persons responsible for making strategic management decisions in the organization.

According regression analysis results captured in Table 4.9, 63.7% of KCB Bank Kenya Limited's effectiveness of strategy implementation is can be explained by centralization of

decision-making power. The remaining 78.9% can be explained by other factors that affect strategy implementation.

Table 4.9 Model Summary on Decision-Making Power and Strategic Management Process

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.602 ^a	.363	.262	.91177

a. Predictors: (Constant) Centralization of decision-making power
Source: Researcher (2019)

Regression analysis results in Table 4.10 indicate that there is positive relationship between centralization of decision making power in KCB Bank Kenya Limited and effectiveness of strategy implementation. The p-value of 0.87, which is greater than the significance value (0.05) designates this relationship.

Table 4.10 Coefficients on Decision-Making Power and Strategic Management Process

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	1.294	.328		3.945	.000
	CeDemaPo	.159	.098	.141	1.624	.087

a. Dependent Variable: Strategic Management Process
Source: Researcher (2019)

A strong positive relationship exists between Centralization of Decision-Making Power and Strategic Management Process as denoted by the results of the regression analysis

capture in Table 4.11. The significance value of 0.087, which is greater than the alpha value (0.05) connotes this relationship between the two variables.

Table 4.11 ANOVA on Decision-Making Power and Strategic Management Process

	Model	Sum of Squares	df	Mean Square	F	Sig.
	Regression	2.193	1	2.193	2.638	.087b
1	Residual	108.072	136	.831		
	Total	110.265	137			

a. Dependent Variable: Strategic Management Process

b. Predictors: (Constant) Centralization of decision-making power

Source: Researcher (2019)

The strong correlation between centralization of decision-making power and strategic management implies that this structure is preferred and appropriate for decision making in the organization.

4.5 Departmentalization and Strategic Management Process

Questions were also asked on departmentalization as an aspect of organizational structure and organogram in KCB Bank Kenya Limited. Respondents were asked how KCB Bank Kenya Limited was structured in terms of departments, whether the departments were aligned with the strategic management process activities and how the nature of departments influenced strategy formulation and implementation in the organization. The findings of the study presented in Table 4.12 show that 56% of the survey respondents strongly agreed that a loose departmentalization structure can be effective in strategy formulation process in KCB Bank Kenya Limited. About 27% of the respondents agreed that a departmentalization structure that is loose can be effective in strategy formulation process

in KCB Bank Kenya Limited while 7% of the respondents expressed indifference. Those who disagreed with this question statement were 4% of the respondents and the rest 7% strongly disagreed with it.

With regard to loose departmentalization structure and effective strategy implementation, Table 4.12 shows that 48% of the participants strongly disagreed that a loose departmentalization structure can be effective in strategy implementation in KCB Bank Kenya Limited while 25% of them disagreed with the question statement. Those who expressed neutrality were 2% of the respondents while 11% agreed with it. The rest 14% of the participants strongly agreed that a loose departmentalization structure can be effective in strategy implementation in the financial institution.

From Table 4.12, approximately 35% of the survey participants strongly agreed that KCB Bank Kenya Limited requires a rigid departmentalization structure for the strategy formulation process to be effective. About 37% agreed that for the institution to have an effective strategy formulation process, the organization structure should be rigid. The proportion of respondents who expressed indifference with regard to this question was 7% while 13% simply disagreed with the question statement. The rest 8% strongly disagreed that a rigid departmentalization structure should be in place for KCB Bank Kenya Limited to have effective strategy formulation process.

Still on the question of rigidity as an element of departmentalization and organizational structure, 17% of the respondents strongly agreed that a rigid structure would be the most

effective for strategy implementation in KCB Bank Kenya Limited to be effective while 45% of the survey participants agreed with the question statement. Of those who were of the contrary view, 26% disagreed that effective strategy implementation at KCB Bank Kenya Limited required a rigid structure and 9% of them strongly disagreed that a rigid structure would be the most effective for strategy implementation in KCB Bank Kenya Limited to be effective. The remaining 4% were not certain whether or not a rigid structure would be the most effective for strategy implementation in KCB Bank Kenya Limited as depicted in Table 4.12.

Table 4.12 Departmentalization of Decision-Making Power on Strategic Management Process

	Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
A loose departmentalization structure can be effective in strategy formulation process in KCB Bank Kenya Limited.	56%	27%	7%	4%	7%
A loose departmentalization structure can be effective in strategy implementation in KCB Bank Kenya Limited.	48%	25%	2%	11%	14%
This organization requires a rigid departmentalization structure for the strategy formulation process to be effective.	8%	13%	7%	37%	35%
A rigid departmentalization structure would be the most effective for strategy implementation in KCB Bank Kenya Limited.	9%	26%	4%	45%	17%

Source: Researcher (2019)

Largely, a loose departmentalization structure, as shown in the results presented in Table 4.12, was viewed to be appropriate for the strategic management process in the

organization. This implies that with a loose structure in place employees from different departments are easily and quickly able to share information thus eliminating bureaucracies and making their work easy. Output from one department is channelled to other relevant departments for their consumption and output in the entire work process.

The table of model summary, Table 4.13 indicates that 2.5% of strategic management can be explained by departmentalization in KCB Bank Kenya Limited. The rest 97.5% are attributable to other factors that affects strategic management process in the organization.

Table 4.13 Model Summary on Departmentalization on Strategic Management Process

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.159 ^a	.025	.018	.82544

a. Predictors: (Constant) Departmental
Source: Researcher (2019)

A positive relationship exists between departmentalization as an aspect of organization structure and strategic management process in KCB Bank Kenya Limited. This relationship is revealed by the p-value (0.068) which is greater than the alpha value as shown in Table 4.14.

Table 4.14 Coefficients on Departmentalization on Strategic Management Process

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.

	B	Std. Error	Beta		
1 (Constant)	4.317	.289		14.943	.000
Departmental	.189	.103	.159	1.838	.068

a. Dependent Variable: Duration of Served in the Organization

Source: Researcher (2019)

The findings of the regression analysis further support the findings capture in the frequency tables that an appropriate structure with regard to departmentalization, which in this particular case is departmentalization, would improve the entire process of strategic management while an unsuitable structure would derail the process.

Table 4.15 on analysis of variation shows that strong positive relationship exists between departmentalization and strategic management process in KCB Bank Kenya Limited. This implies that as the organization becomes more departmentalized, the strategic management process in the organization becomes more effective.

Table 4.15 ANOVA on Departmentalization on Strategic Management Process

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2.302	1	2.302	3.379	.068 ^b
Residual	88.576	136	.681		
Total	90.879	137			

a. Dependent Variable: Duration of Served in the Organization

b. Predictors: (Constant) Departmental

Source: Researcher (2019)

4.6 Chain of Command and Strategic Management Process

A chain of command, whether long or short, affects directly the strategic management process in an organization. The survey participants were therefore asked to comment on the nature of the chain of command the management team in KCB Bank Kenya Limited

had settled on and the effect this had on the effectiveness of strategic management process – strategy formulation and implementation – in the organization.

According to Table 4.16 the chain of command at KCB Bank Kenya Limited was rated to be very low by 22% of the respondents. About 15% were of the view that the chain of command in the organization was low while 35% considered it to be moderate. Those who opined that the chain of command was high at KCB Bank Kenya Limited were 12% of the survey participants and the remaining 16% considered the chain of command in the organization to be very high.

Table 4.16 Rating of Chain of Command of in KCB Bank Kenya Limited

	Very Low	Low	Moderate	High	Very High
How would you rate the chain of command of KCB Bank Kenya Limited?	22%	15%	35%	12%	16%

Source: Researcher (2019)

Approximately 81% of the respondents were positive that the chain of command does affect strategy formulation process in KCB Bank Kenya Limited while the remaining 19% were of the divergent view as shown in Table 4.17.

On average, the chain of command in the institution was short. This implies that employees at lower cadres could relatively reach their superiors easily whenever they needed to. A short chain of command likely implies that communication and passage of information

from one level of the organization to the other is made easy hence work is done quickly and effectively in a short time to enhance the strategic management process.

At the same time, Table 4.17 shows that 89% of the respondents responded affirmatively that chain of command had an effect on strategy implementation process. The rest 11% responded negatively to the question by suggesting that strategy implementation as part of the larger strategic management process is not affected by the organization's structure in connection with the chain of command.

Table 4.17 Chain of Command and Strategic Management Process in KCB

	Yes	No
In your opinion, does the chain of command affect the strategy formulation process of KCB Bank Kenya Limited?	81%	19%
In your opinion, does the chain of command affect the strategy formulation process of KCB Bank Kenya Limited?	89%	11%

Source: Researcher (2019)

Chain of command, from the findings presented in Table 4.17, has significant effect on strategy formulation and implementation hence an appropriate chain length must be put in place. A very long or a very short chain is likely to have detrimental effect on the effectiveness of the entire strategic management process.

The chain of command structure at KCB Bank Kenya Limited was viewed to affect strategy formulation process to a great extent by 49% of the survey participants. Those who were of the opinion that the chain of command in the organizations affected the process of

strategy formulation to a moderate extent was 32% of the proportion while 11% found it to affect this process only to a minor extent. Approximately 8% felt that the existing chain command in KCB Bank Kenya Limited did not at all affect the strategy formulation process as depicted in Table 4.18.

As captured in Table 4.18, With regard to strategy implementation as an element of the strategic management process at KCB Bank Kenya Limited, 37% of the respondents opined that the existing chain of command in the organization affected strategy implementation to a great extent, 35% of them felt that the chain of command only affected strategy implementation to a moderate extent. About 13% of the survey participants were of the opinion that the chain of command affected this aspect strategy formulation process to a minor extent and the remaining 15% were of the view that it did not affect the strategy implementation process at all.

Table 4.18 Chain of Command Extent and Strategic Management Process

	Not at All	To a Minor Extent	To a Moderate Extent	To a Great Extent
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In your view, to what extent does the chain of command affect effectiveness of the strategy formulation in KCB Bank Kenya Limited?	8%	11%	32%	49%
In your view, to what extent does the chain of command affect effectiveness of the strategy implementation in KCB Bank Kenya Limited?	15%	13%	35%	37%

Source: Researcher (2019)

Strategy formulation and implementation, from the findings of the study presented in Table 4.18, were significantly affected by chain of command. Either a long or a short chain of command it seems, significantly influenced the strategic management process in the organization hence the need to seriously take into consideration the length of chain of command in the organization when formulating and implementing a strategy.

As shown in Table 4.19, approximately 6% of the respondents strongly agreed that an extended (long) chain of command is essential to enhance strategy formulation process in KCB Bank Kenya Limited. A slightly lesser proportion 4%, agreed with the question statement while 15% were indifferent according to the table. As to those who responded negatively to the question, 40% disagreed that to enhance strategy formulation process in the organization a long chain of command is essential while 35% of the survey participants strongly disagreed with the question statement.

Table 4.19 shows that those who strongly agreed that a long chain of command enhances strategy implementation process in KCB Bank Kenya Limited were 5% of the respondents while 11% simply agreed with the question statement regarding the effect of long chain of command on strategy implementation. The proportion of respondents that expressed

indifference was 8% with regard to this question. The rest 77% responded negatively to the question with 42% disagreeing that that a long chain of command enhances strategy implementation process in the organization and the remaining 35% strongly disagreeing that that a long chain of command enhances strategy implementation process in KCB Bank Kenya Limited.

Approximately 19% of the respondents strongly agreed that for KCB to effectively formulate effective strategies there is need for the organization to consider short chain of command. This is captured in results in Table 4.19 which also shows that slightly more than half of the respondents, 52%, agreed that formulation of effective strategies required a short chain of command to be put in place. The proportion of respondents that disagreed with this statement was 17% while 8% strongly disagreed that the financial institutions to effectively formulate effective strategies there is need for the organization to consider short chain of command. About 5% of the survey participants expressed neutrality with regard to the question.

That strategy implementation process would be more effective with a short chain of command was a question statement that was strongly agreed with by 23% of the respondents. More than fifty percent of the respondents, 56%, agreed that strategy implementation process would be more effective with a short chain of command. Only 3% were not certain whether a short chain of command structure would be effective in strategy implementation. Those who disagreed with the question statement were 13% of the respondents and the rest 5% strongly disagreed that strategy implementation process would be more effective with a short chain of command in the organization as shown in Table 4.19.

Table 4.19 Effect of Chain of Command and Strategic Management Process

	Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
A long chain of command is essential to enhance strategy formulation process in KCB Bank Kenya Limited.	35%	40%	15%	4%	6%
A long chain of command enhances strategy implementation process in KCB bank.	35%	42%	8%	11%	5%
For KCB Bank Kenya Limited to effectively formulate effective strategies there is need for the organization to consider short chain of command.	19%	52%	5%	17%	8%
In this organization, strategy implementation process would be more effective with a short chain of command.	23%	56%	3%	13%	5%

Source: Researcher (2019)

Largely, drawing from the findings of the study, a balance between a short chain of command and a long chain of command is essential for effective strategic management process in KCB Bank Kenya Limited. The views expressed by the survey participants were to the effect that a neither a long nor a short chain of command is desirable and a moderate chain would be appropriate.

Results in Table 4.20 show that 21.1% of the effectiveness of strategy implementation is attributable to the organization's chain of command while the remaining 78.9% can be explained by other factors that affect strategy implementation.

Table 4.20 Model Summary on Chain of Command and Effectiveness of Strategy Implementation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.459 ^a	.211	.127	0.82723

a. Predictors: (Constant) Rating of the chain of command of KCB Bank Kenya Limited
Source: Researcher (2019)

From Table 4.21, it is safe to conclude that a positive relationship exists between level of chain of command and effectiveness of strategy implementation. This is because the p-value is greater than the significance value ($0.071 > 0.05$).

Table 4.21 Regression Coefficients on Chain of Command Level and Strategy Implementation Effectiveness

	Model	Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
	(Constant)	1.680	.233		7.195	.000
1	Rating of the chain of command of KCB	.202	.067	.255	3.008	.071

a. Dependent Variable: Strategic Management Process
Source: Researcher (2019)

Results of the ANOVA analysis in Table 4.22 shows that a strong positive relationship exists between the organization's level of chain of command and effectiveness of strategy implementation as shown by the p-value (0.071) which is greater than the significance value (0.05).

Table 4.22 ANOVA on Chain of Command and Strategy Implementation Effectiveness

Model	Sum of Squares	df	Mean Square	F	Sig.
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	Regression	13.790	1	13.790	9.050	.071 ^b
1	Residual	198.089	136	1.524		
	Total	211.879	137			

a. Dependent Variable: Strategic Management Process

b. Predictors: (Constant) Departmentalization

Source: Researcher (2019)

Evidence drawn from the regression analysis shows a positive relationship between chain of command and strategic management process in the organization. This reinforces the findings of the frequency data analysis hence support the finding that an appropriate chain of command is suitable for effective strategy formulation and implementation and realization of the desired objectives.

4.7 Formalization and Strategic Management Process

This question was asked to find out the nature of the existing structure at KCB Bank Kenya Limited with regard to formalization in order to determine how it affects the strategic management process in the organization.

The structure of KCB Bank Kenya Limited was rated as very formal by one third of the respondents, 33% of the respondents. Approximately 36% rated the structure as formal while 15% of the survey respondents rated the level of formalization in the organization as moderate. About 13% were of the view that their structure was informal and the remaining 4% considered the structure as very informal as depicted in Table 4.23.

Table 4.23 Level of Formality of Organizational Structure of KCB

	Very Informal	Informal	Moderate	Formal	Very Formal
How would you rate the level of formalization of processes and activities in KCB?	4%	13%	15%	13%	5%

Source: Researcher (2019)

There is strict adherence to operational regulations and policies in the organization. This is largely explained by the nature of industry and sector in which the organizations operates in, the banking sector of the financial industry in Kenya. Because of the sensitivity of the nature of transactions, there is need for employees of the organizations heed to, regard and observe policies and guidelines of the organization.

Respondents were also asked to indicate the extent to which the level of formalization of processes and activities in KCB Bank Kenya Limited affected strategic management process in the firm. With reference to Table 4.24 approximately 55% of the respondents indicated that the level of formalization affected strategic management process to a great extent. About 33% were of the view that the effect was to moderate extent. Those who felt that the effect was to a minor extent were 9%. The rest 3% opined that there was no effect at all on strategic management as a result of the level of formalization.

Table 4.24 Level of Formalization Extent and Strategic Management Process

	Not at all	To a Minor Extent	To a Moderate Extent	To a Great Extent

Extent to which level of formalization of processes and activities affect the strategic management process in KCB bank.	3%	9%	33%	55%
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Source: Researcher (2019)

In general, a very formal structure, which encourages adherence to organizational rules and policies, would work favorably for strategy formulation and implementation in the organization.

On whether or not a formal structure is essential to enhance strategy formulation process in KCB, 31% of the survey participants strongly agreed that a formal structure is essential to enhance strategy formulation process in KCB Bank Kenya Limited. About 27% of the respondents simply agreed with the question statement while 7% expressed indifference with regard to this question as shown in Table 4.25. Those who disagreed with the question were 19% of the respondents and the rest 16% strongly disagreed that a formal structure is essential to enhance strategy formulation process in the organization.

As shown in Table 4.25, strategy implementation process in KCB Bank Kenya Limited, according to 27% of the respondents who strongly agreed with the question statement, could be enhanced by a formal structure. The proportion of respondents who agreed with the question statement was 32% while 5% of the respondents were not sure whether strategy implementation process in the financial institution could be enhanced by a formal structure. Approximately 10% of the survey participants disagreed with the question

statement and the remaining 28% strongly disagreed that strategy implementation process in KCB Bank Kenya Limited bank could be enhanced by a formal structure.

Table 4.25 Formal Structure and Strategic Management Process

	Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
A formal structure is essential to enhance strategy formulation process in KCB.	31%	27%	7%	19%	16%
A formal structure is essential to enhance strategy implementation process in KCB.	26%	10%	5%	32%	27%

Source: Researcher (2019)

Contrary to what would generally be expected given the nature of the industry, a formal structure was viewed to be a hindrance to effective strategic management process in the organization. This can be explained by majority of respondents' view that the current young generation, who form bulk of the employee fraternity in the organization, prefers to operate with a lot of freedom in their work hence the preference for a less formal structure.

Regression analysis was carried out to assess the relationship between formalization and strategic management process in the organizations. Table 4.26 indicates that 29.6% of strategic management process in KCB Bank Kenya Limited can be explained by extent of formalization in the organization as shown by the R^2 value. The rest 70.4% can be explained by other factors.

Table 4.26 Regression Model Summary on Formalization Level and its Effectiveness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.544 ^a	.296	.216	.33641

a. Predictors: (Constant) Formalization of processes and activities in KCB
Source: Researcher (2019)

According to the results of the regression analysis results in Table 4.27, there is a positive relationship between level of formalization and effectiveness of formalization. This is evidenced by the p-value (0.663) which is greater than the alpha level of 0.05.

Table 4.27 Regression Coefficients on on Formalization Level and its Effectiveness

	Model	Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
	(Constant)	1.343	.086		15.644	.000
1	Rating of the level of formalization of processes and activities in KCB	.056	.037	.130	1.498	.663

a. Dependent Variable: Formalization of processes and activities in KCB
Source: Researcher (2019)

The ANOVA table equally indicates that a strong positive relationship exists level of formalization and effectiveness of formalization as evidenced by the p-value ($0.663 > 0.05$) as indicated in Table 4.28.

Table 4.28 ANOVA for Level of Formalization and Effectiveness of Formalization

	Model	Sum of Squares	df	Mean Square	F	Sig.
	1 Regression	.556	1	.556	24.5	.663 ^b

Residual	32.172	136	.247
Total	32.727	137	

a. Dependent Variable: Strategic management process

b. Predictors: (Constant) Formalization of processes and activities in KCB

Source: Researcher (2019)

The positive relationship between a formalized organization structure is an indicator that the right structure must be put in place for the strategic management process to be effective. Subsequently, as indicated in the earlier findings under this objective, the management of KCB Bank Kenya Limited needs to ensure that the right balance between a highly formal and a moderate structure is stricken.

CHAPTER FIVE: SUMMARY OF FINDINGS, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of the research finding on the role of effects of organizational structure on strategic management process in commercial banks in Kenya. The chapter also includes conclusion, related recommendations derived from conclusion and suggestions for further research.

5.2 Summary of Main Findings

On the whole, an organization's structure has significant effect on its strategic management process as measured by strategy formulation and strategy implementation in this study. Specifically, the study showed that there is a positive relationship between centralized structure and strategy formulation and implementation. A centralized structure translates to more effective strategic management process than a decentralized structure. Similarly, rigid departmentalization frameworks have positive effects on strategy formulation and implementation while loose structures have negative effects on the same. However, in line with the findings of the study, commercial banks in Kenya are better off with short chains of command in their efforts to formulate and implement strategies because this element of organizational structure have been found to be more effective in strategy formulation and implementation. With regards to levels of observance and strict application of organizational rules and policies, formal structures are only effective to the extent of strategy formulation phase of the strategic management process. At the implementation stage, an informal structure is more effective hence more favorable by both employees and managers.

5.3 Discussion

5.3.1 Centralization of Decision-Making Power and Strategic Management Process

The power base, with regard to decision making during in strategic management process, is an important factor to consider for managers. In most instances, the desirable or ideal view of employees and even managers of organizations is that decision making authority should be pushed down the organizational hierarchy to employees more autonomy, responsibility and in their work to make and implement decisions as long as they take full

responsibility for the outcomes of their decision. This is same view held by Nooraie (2014) Atieno and Juma (2015) and Marquez (2007) who, as captured in the empirical review section of this paper, contended that organizations need to move from highly centralized to decentralized systems in order to be effective the entire process of strategic management. However, the view seems to be completely different when it comes to decisions that have significant effect on the future of organizations, as seen in the finding of this study. Because the strategic future of the organization is very critical to its general performance as well as its existence, the top level managers are left to make the significant strategic decisions and therefore take the full responsibility of the outcomes.

This finding is analogous to that of Pasternack (2005) who established that in the contemporary rapidly changing business environment a highly decentralized structure can be counterproductive in the process of strategic management. This therefore explains the finding that as opposed to a decentralized structure, a centralized structure, which vests all decision making power on the top management of the organization, positively affects strategic management process in commercial banks. Additionally, in strategic management process, centralization brings about a clear chain of command which is very essential for unified and quick execution of decisions in the organization. Clear lines of communication brought about by a centralized structure helps the organization focus on its fulfillment strategic vision with ease because the senior executive management is able to easily communicate the organization's vision to lower cadre employees and managers and provide guidance towards the achievement of the organizational vision.

5.3.2 Departmentalization and Strategic Management Process

Rigid departmentalization is more effective and efficient regarding resources utilization hence the findings of this study which show that when it comes to strategic management process, rigid departmentalization is favored. The same finding and conclusion was reached by (Neis et al. (2017) who accentuated that when organizations are decentralized, it enhances changes of effective strategy implementation because employees will be focusing on their specific units and at the end of the day synergy is likely to be achieved. In whatever dimension, whether geographically, functionally or along product lines, rigid departmentalization as a means of structuring an organization fixes responsibility in to departments (as is the case with centralized structures discussed above). Rigid departmentalization also facilitates better control because of the small manageable departments which can be easily supervised and controlled thus enhancing and positively influencing the strategic decision making process in organizations such as KCB as established in this study. Kavale (2012) also reached the same conclusion in a study on relationship between structure and strategy. To enhance the process of strategic management and achieve organizational strategic goals, rigid departmentalization, as opposed to loose structure, contributes significantly to organizational growth and expansion because each department strives to outperform one another thus overall betterment of the entire organization. For instance, departmentalization by product line or territory will promotes competition between the different product lines or different territories. Employees in the different territories will also support the process of strategic management in order to enhance their performance and outdo other ‘competing’ departments.

5.3.3 Chain of Command and Strategic Management Process

The vertical reporting an authority relationship in organization structure was also found to affect the strategic management process of in KCB Bank Kenya Limited. A long chain of command, according the findings of this study, is time-wasting and also very bureaucratic. Akin to the findings of Andersson et al. (2014) this generally has a negative effect on strategic management process. Maintaining effective communications within the working groups in an organization requires short chain of command which ensures that information is not distorted and also that information reaches the intended destination in the shortest time possible. Short chains of commands are important in strategy formulation and strategy implementation because the employees and managers at the lower level of the organization do not have to wait for so long before receiving information on what is expected of them. Further, in this era of technology, there is no need to for the executive level managers to go through long chains when passing information. At a click of a button, the intended information can be dispatched to all employees of the organization at a go thereby improving the strategic management process. With regard to strategic management, and in line with the findings by Obiga (2014) short chains of commands are also preferable because such structures make it easy for the top managers to developing and clarifying strategic mission and objectives and also communicating organizational policies and safeguarding implementation of the same. High-growth organizations like KCB Bank Kenya Limited also require structures that permit them to quickly adapt to changes in the business environment thus justifying the finding of this study which suggests that short chains of command are ideal for effective strategic management processes.

5.3.4 Formalization and Strategic Management Process

For an important organizational process as strategic management, stringent observation of laid-down rules and policies can sometimes prove to be counter-productive but is also just as necessary. This explains the divided finding of this study, which is also similar to the findings of Janićijević (2013) with regard to strategy formulation and strategy implementation as aspects of the strategic management process. Formal structures, according to the findings of the study, are very essential in the strategy formulation phase. This is because the management of the organization, as the institution charged with the responsibility of formulating strategies, must ensure that lower cadre employees follow the guidelines established in order to contribute ideas and views to help the top management come up with the right strategies to steer the organization towards realization of organizational strategic goals and objectives. However, as opposed to formal ones, and contrary to the findings of Obiga (2014) and Olson et al. (2005) informal structures are very effective in the strategy implementation phase. First, employees need be given freedom to exercise creativity and innovation in implementing the strategies. This implies that people employees should be autonomy to find new ways of doing things which they find easier and save them time. Second, it is easier for employees to implement strategies because in an informal structure, their patterns of interaction are molded by friendship groups and other relationships. The implication here is that organizations have to balance between formal and informal structures in order to realize effective strategic management process.

In line with Contingency Theory, which this was used to guide this study, managers must take into perspective the structures of their organizations in the process of strategic

management in their institutions. The business environment is wide and consist both of the micro and macro environmental factors. Organizational structure is an element of the micro environment which, for strategic management process to be successful, must be aligned with the process.

5.4 Conclusion

To sum up, there is a positive correlation between centralization of decision making power and strategic management process in commercial banks in Kenya. As an element of organizational structure, departmentalization evidently affects strategic decision making process, with a rigid departmentalization being considered favorable for effective strategy formulation and implementation. As opposed to a long chain of command which is considered time consuming when it comes to strategy formulation and implementation, a short chain of command is viewed and appropriate structure for strategic management process. Finally, a formal structure is appropriate for strategy formulation phase of the strategic management process while an informal structure is ideal for the implementation phase.

5.5 Recommendations

Based on the findings of this study, it is recommended that managers of commercial banks in Kenya, especially the executive level managers to take into serious perspective the structure of their organizations during the process of strategic management. Specifically, with regard to the findings of this study, when intending to formulate and implement a new organizational strategy, managers should ensure that the organizational structure in place; a centralized structure so that decision making and implementation is quick, a rigid

departmentalization system so that each department takes seriously its role and bears full responsibility for the outcomes of their activities, and a short chain of command to support the centralized structure and achieve the same objectives. With regard to formalization, it is recommended that the right balance be struck between a formal and informal structure in which a formal structure should be emphasized at the strategy formalization stage and an informal structure encouraged at the implementation stage.

5.6 Areas for Further Studies

This study was restricted to effects of organizational structure on strategic management process in commercial banks in Kenya. Other studies can be conducted on the same topic but with a focus on other sectors of financial service providers in Kenya like insurance institutions and micro-finance institutions. Further studies can be carried out to assess effects of organizational structure on other indicators of strategic management process such as formulation of strategic objectives, and the process of developing organization mission and vision.

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APPENDICES

APPENDIX I: INTRODUCTION LETTER

Dear Respondent,

This questionnaire is designed to gather information on '**Effects of Organizational Structure on Strategic Management Process in Commercial Banks in Kenya: A Case of KCB Kenya, Limited**'. The study is being carried out in partial fulfilment of the requirements for the award of Master of Business Administration Degree in the Business School of Africa Nazarene University.

You are kindly requested to participate in this research by responding honestly and objectively to questions in this questionnaire. The information collected will be treated

with confidentiality and will only be used for the purpose of this research. Your contribution in facilitating the success of this study will be highly appreciated.

Thank you in advance,

Sincerely,

Isabella Wanjira Gichuru,

APPENDIX II: RESEARCH QUESTIONNAIRE

The purpose of this research is to determine effects of organizational structure on strategic management process in commercial banks in Kenya. information you provide will be treated with utmost confidentiality and at no instance will it be used for any other purpose other than for this research project. Responses will be analysed in an aggregate manner and no individual identification of responses will be compiled or reported.

SECTION A: Bio-Data

1. What level of management are you in this company?
 - A. Top level management []
 - B. Middle-level management []
 - C. Lower-level management []
 - D. Non-managerial position []
2. How long have you served in organization?

- A. Less than one year []
 - B. 1-3 years []
 - C. 4-6 years []
 - D. 7-9 years []
 - E. 10 years and above
3. What is your highest level of academic qualification?
- A. College Certificate []
 - B. College Diploma []
 - C. Undergraduate []
 - D. Graduate []
 - E. Doctorate []

SECTION B: Centralization of Decision-Making Power and Strategic Management

Process

4. How would you describe the organization structure of KCB?
-
-
5. How would you rate centralization of decision-making power in KCB?
- A. Very low []
 - B. Low []
 - C. Moderate []
 - D. High []
 - E. Very high []
6. In your opinion, does centralization of decision-making power affect the strategy formulation process of KCB?
- A. Yes []

- B. No []
7. In your opinion, does centralization of decision-making power affect effectiveness of the strategy implementation in KCB?
- A. Yes []
- B. No []
8. In your view, to what extent does centralization of decision-making power affect the strategy formulation process of KCB?
- A. Not at all []
- B. To a minor extent []
- C. To a moderate extent []
- D. To a great extent []
9. In your view, to what extent does centralization of decision-making power affect effectiveness of the strategy implementation in KCB?
- A. Not at all []
- B. To a minor extent []
- C. To a moderate extent []
- D. To a great extent []

Please tick the extent to which you agree with the following statements by using a scale of 1 to 5 where 1= strongly disagree and 5 = strongly agree. Tick (✓) the option that best describes your opinion of the statement.

	Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
10. A centralized organizational structure is essential to enhance strategy formulation process in KCB.					
11. A centralized organizational structure enhances strategy implementation process in KCB.					
12. For KCB to effectively formulate effective strategies there is need for the organization to put in place a decentralized structure.					
13. It is important for the organizations to have a decentralized structure in order to have an effective strategy implementation process.					

14. In your view, how else can the organization structure of KCB affect strategic management process of the form? _____

SECTION D: Departmentalization and Strategic Management Process

15. Would you describe departmentalization at KCB is rigid or loose? Please explain.

16. In light of your view in the above question, does the rigid/loose departmentalization affect the strategy formulation process of KCB?

A. Yes []

B. No []

17. In your opinion, does the rigid/loose departmentalization affect effectiveness of the strategy implementation in KCB?

A. Yes []

B. No []

Please tick the extent to which you agree with the following statements by using a scale of 1 to 5 where 1= strongly disagree and 5 = strongly agree. Tick (✓) the option that best describes your opinion of the statement.

	Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
18. A loose departmentalization structure can be effective in strategy formulation process in KCB.					
19. A loose departmentalization structure can be effective in strategy implementation in KCB.					
20. This organization requires a rigid departmentalization structure for the strategy formulation process to be effective.					
21. A rigid departmentalization structure would be the most effective for strategy implementation in KCB.					

22. What other suggestions would you make to the management of KCB regarding departmentalization to make the organization's strategic management to achieve the desired strategic objectives?

SECTION E: Chain of Command and Strategic Management Process

23. How would you describe the chain of command of KCB?

24. How would you rate the chain of command of KCB?

- A. Very low []
- B. Low []
- C. Moderate []
- D. High []
- E. Very high []

25. In your opinion, does the chain of command affect the strategy formulation process of KCB?

- A. Yes []
- B. No []

26. In your opinion, does the chain of command affect effectiveness of the strategy implementation in KCB?

- A. Yes []
- B. No []

27. In your view, to what extent does the chain of command affect the strategy formulation process of KCB?

- A. Not at all []
- B. To a minor extent []
- C. To a moderate extent []
- D. To a great extent []

28. In your view, to what extent does the chain of command affect effectiveness of the strategy implementation in KCB?

- A. Not at all []
- B. To a minor extent []
- C. To a moderate extent []
- D. To a great extent []

Please tick the extent to which you agree with the following statements by using a scale of 1 to 5 where 1= strongly disagree and 5 = strongly agree. Tick (✓) the option that best describes your opinion of the statement.

	Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
29. A long chain of command is essential to enhance strategy formulation process in KCB.					
30. A long chain of command enhances strategy implementation process in KCB.					
31. For KCB to effectively formulate effective strategies there is need for the organization to consider short chain of command.					
32. In this organization, strategy implementation process would be more effective with a short chain of command.					

33. In your opinion, what other measures can the management of this company take to ensure that the chain of command contributes positively to strategic management in the organization?

SECTION F: Formalization and Strategic Management Process

34. How would you describe formalization of processes and activities in KCB?

35. How would you rate the level of formalization of processes and activities in KCB?

- A. Very informal []
- B. Informal []
- C. Moderate []
- D. Formal []
- E. Very formal []

36. To what extent do you think the level of formalization of processes and activities in

KCB affect the strategic management of this company?

- A. Not at all []
- B. To a minor extent []
- C. To a moderate extent []
- D. To a great extent []

37. In your opinion, the level of formalization of processes and activities in KCB affect the strategy formulation process of the organization?
- A. Yes []
 - B. No []
38. In your opinion, does the level of formalization of processes and activities in KCB affect effectiveness of the strategy implementation of the firm?
- A. Yes []
 - B. No []
39. In your view, to what extent does the level of formalization of processes and activities affect the strategy formulation process of KCB?
- A. Not at all []
 - B. To a minor extent []
 - C. To a moderate extent []
 - D. To a great extent []
40. In your view, to what extent does the level of formalization of processes and activities in KCB affect effectiveness of the strategy implementation?
- A. Not at all []
 - B. To a minor extent []
 - C. To a moderate extent []
 - D. To a great extent []

Please tick the extent to which you agree with the following statements by using a scale of 1 to 5 where 1= strongly disagree and 5 = strongly agree. Tick (✓) the option that best describes your opinion of the statement.

	Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
41. A formal structure is essential to enhance strategy formulation process in KCB.					
42. Strategy implementation process in KCB could be enhanced by a formal structure.					
43. For KCB to effectively formulate effective strategies there is need for the organization to consider an informal organizational structure.					
44. In this organization, strategy implementation process would be more effective with an informal organizational structure.					

45. In your opinion, what other aspects of formalization can be adjusted to make strategic management successful/more successful in this organization?

THANKS FOR YOUR PARTICIPATION

APPENDIX III: ANU LETTER OF RESEARCH AUTHORIZATION



AFRICA NAZARENE
UNIVERSITY

19th July 2019

E-mail: researchwriting.mba.anu@gmail.com

Tel. 0202711213

Our Ref: 12M01DMBA043

The Director,
National Commission for Science,
Technology and Innovation (NACOSTI),
P. O. Box 30623, 00100
Nairobi, Kenya

Dear Sir/Madam:

RE: RESEARCH AUTHORIZATION FOR: MRS. ISABELLA WANJIRA GICHIURU

Mrs. Gichuru is a postgraduate student of Africa Nazarene University in the Master of Business Administration (MBA) program.

In order to complete her program, Mrs. Gichuru is conducting a research entitled: **"Effects of Organizational Structure on Strategic Management Process in Commercial Banks in Kenya: A Case of KCB Bank Kenya Limited"**

Any assistance offered to her will be highly appreciated.

Yours Faithfully,



for **MR. ISAAC MWANGI**
AG. PRINCIPAL, NAIROBI CBD CAMPUS.

APPENDIX IV: NACOSTI RESEARCH AUTHORIZATION PERMIT


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**NATIONAL COMMISSION FOR
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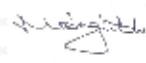
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APPENDIX V: Z TABLE

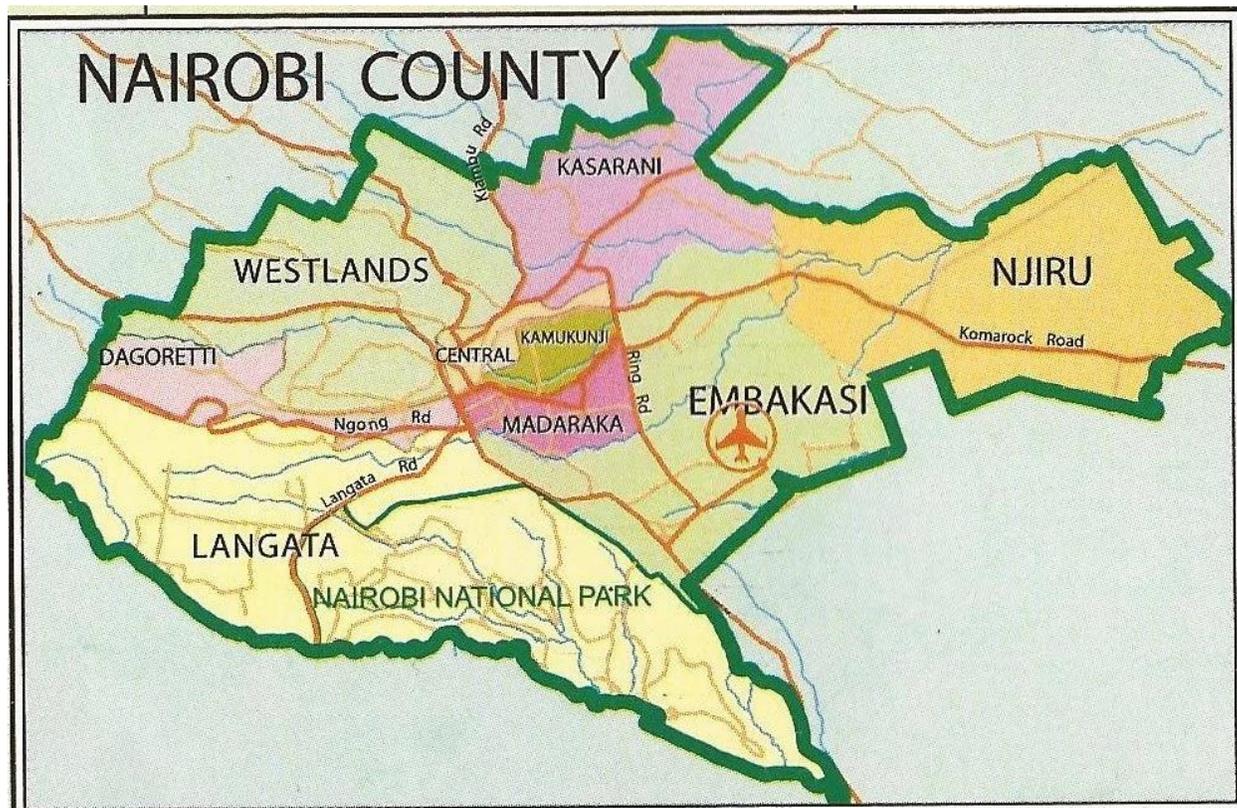
Table of the standard normal distribution values ($z \leq 0$)

$-z$	0.00	0.01	0.02	0.03	0.04	0.05	0.06	0.07	0.08	0.09
0.0	0.50000	0.49601	0.49202	0.48803	0.48405	0.48006	0.47608	0.47210	0.46812	0.46414
0.1	0.46017	0.45621	0.45224	0.44828	0.44433	0.44038	0.43644	0.43251	0.42858	0.42466
0.2	0.42074	0.41683	0.41294	0.40905	0.40517	0.40129	0.39743	0.39358	0.38974	0.38591
0.3	0.38209	0.37828	0.37448	0.37070	0.36693	0.36317	0.35942	0.35569	0.35197	0.34827
0.4	0.34458	0.34090	0.33724	0.33360	0.32997	0.32636	0.32276	0.31918	0.31561	0.31207
0.5	0.30854	0.30503	0.30153	0.29806	0.29460	0.29116	0.28774	0.28434	0.28096	0.27760
0.6	0.27425	0.27093	0.26763	0.26435	0.26109	0.25785	0.25463	0.25143	0.24825	0.24510
0.7	0.24196	0.23885	0.23576	0.23270	0.22965	0.22663	0.22363	0.22065	0.21770	0.21476
0.8	0.21186	0.20897	0.20611	0.20327	0.20045	0.19766	0.19489	0.19215	0.18943	0.18673
0.9	0.18406	0.18141	0.17879	0.17619	0.17361	0.17106	0.16853	0.16602	0.16354	0.16109
1.0	0.15866	0.15625	0.15386	0.15151	0.14917	0.14686	0.14457	0.14231	0.14007	0.13786
1.1	0.13567	0.13350	0.13136	0.12924	0.12714	0.12507	0.12302	0.12100	0.11900	0.11702
1.2	0.11507	0.11314	0.11123	0.10935	0.10749	0.10565	0.10384	0.10204	0.10027	0.09853
1.3	0.09680	0.09510	0.09342	0.09176	0.09012	0.08851	0.08692	0.08534	0.08379	0.08226
1.4	0.08076	0.07927	0.07780	0.07636	0.07493	0.07353	0.07215	0.07078	0.06944	0.06811
1.5	0.06681	0.06552	0.06426	0.06301	0.06178	0.06057	0.05938	0.05821	0.05705	0.05592
1.6	0.05480	0.05370	0.05262	0.05155	0.05050	0.04947	0.04846	0.04746	0.04648	0.04551
1.7	0.04457	0.04363	0.04272	0.04182	0.04093	0.04006	0.03920	0.03836	0.03754	0.03673
1.8	0.03593	0.03515	0.03438	0.03363	0.03288	0.03216	0.03144	0.03074	0.03005	0.02938
1.9	0.02872	0.02807	0.02743	0.02680	0.02619	0.02559	0.02500	0.02442	0.02385	0.02330
2.0	0.02275	0.02222	0.02169	0.02118	0.02068	0.02018	0.01970	0.01923	0.01876	0.01831
2.1	0.01786	0.01743	0.01700	0.01659	0.01618	0.01578	0.01539	0.01500	0.01463	0.01426
2.2	0.01390	0.01355	0.01321	0.01287	0.01255	0.01222	0.01191	0.01160	0.01130	0.01101
2.3	0.01072	0.01044	0.01017	0.00990	0.00964	0.00939	0.00914	0.00889	0.00866	0.00842
2.4	0.00820	0.00798	0.00776	0.00755	0.00734	0.00714	0.00695	0.00676	0.00657	0.00639
2.5	0.00621	0.00604	0.00587	0.00570	0.00554	0.00539	0.00523	0.00509	0.00494	0.00480
2.6	0.00466	0.00453	0.00440	0.00427	0.00415	0.00403	0.00391	0.00379	0.00368	0.00357
2.7	0.00347	0.00336	0.00326	0.00317	0.00307	0.00298	0.00289	0.00280	0.00272	0.00264
2.8	0.00256	0.00248	0.00240	0.00233	0.00226	0.00219	0.00212	0.00205	0.00199	0.00193
2.9	0.00187	0.00181	0.00175	0.00170	0.00164	0.00159	0.00154	0.00149	0.00144	0.00140
3.0	0.00135	0.00131	0.00126	0.00122	0.00118	0.00114	0.00111	0.00107	0.00104	0.00100
3.1	0.00097	0.00094	0.00090	0.00087	0.00085	0.00082	0.00079	0.00076	0.00074	0.00071
3.2	0.00069	0.00066	0.00064	0.00062	0.00060	0.00058	0.00056	0.00054	0.00052	0.00050
3.3	0.00048	0.00047	0.00045	0.00043	0.00042	0.00040	0.00039	0.00038	0.00036	0.00035
3.4	0.00034	0.00033	0.00031	0.00030	0.00029	0.00028	0.00027	0.00026	0.00025	0.00024
3.5	0.00023	0.00022	0.00022	0.00021	0.00020	0.00019	0.00019	0.00018	0.00017	0.00017

Table of the standard normal distribution values ($z \geq 0$)

z	0.00	0.01	0.02	0.03	0.04	0.05	0.06	0.07	0.08	0.09
0.0	0.50000	0.50399	0.50798	0.51197	0.51595	0.51994	0.52392	0.52790	0.53188	0.53586
0.1	0.53983	0.54380	0.54776	0.55172	0.55567	0.55962	0.56356	0.56749	0.57142	0.57535
0.2	0.57926	0.58317	0.58706	0.59095	0.59483	0.59871	0.60257	0.60642	0.61026	0.61409
0.3	0.61791	0.62172	0.62552	0.62930	0.63307	0.63683	0.64058	0.64431	0.64803	0.65173
0.4	0.65542	0.65910	0.66276	0.66640	0.67003	0.67364	0.67724	0.68082	0.68439	0.68793
0.5	0.69146	0.69497	0.69847	0.70194	0.70540	0.70884	0.71226	0.71566	0.71904	0.72240
0.6	0.72575	0.72907	0.73237	0.73565	0.73891	0.74215	0.74537	0.74857	0.75175	0.75490
0.7	0.75804	0.76115	0.76424	0.76730	0.77035	0.77337	0.77637	0.77935	0.78230	0.78524
0.8	0.78814	0.79103	0.79389	0.79673	0.79955	0.80234	0.80511	0.80785	0.81057	0.81327
0.9	0.81594	0.81859	0.82121	0.82381	0.82639	0.82894	0.83147	0.83398	0.83646	0.83891
1.0	0.84134	0.84375	0.84614	0.84849	0.85083	0.85314	0.85543	0.85769	0.85993	0.86214
1.1	0.86433	0.86650	0.86864	0.87076	0.87286	0.87493	0.87698	0.87900	0.88100	0.88298
1.2	0.88493	0.88686	0.88877	0.89065	0.89251	0.89435	0.89617	0.89796	0.89973	0.90147
1.3	0.90320	0.90490	0.90658	0.90824	0.90988	0.91149	0.91308	0.91466	0.91621	0.91774
1.4	0.91924	0.92073	0.92220	0.92364	0.92507	0.92647	0.92785	0.92922	0.93056	0.93189
1.5	0.93319	0.93448	0.93574	0.93699	0.93822	0.93943	0.94062	0.94179	0.94295	0.94408
1.6	0.94520	0.94630	0.94738	0.94845	0.94950	0.95053	0.95154	0.95254	0.95352	0.95449
1.7	0.95543	0.95637	0.95728	0.95818	0.95907	0.95994	0.96080	0.96164	0.96246	0.96327
1.8	0.96407	0.96485	0.96562	0.96638	0.96712	0.96784	0.96856	0.96926	0.96995	0.97062
1.9	0.97128	0.97193	0.97257	0.97320	0.97381	0.97441	0.97500	0.97558	0.97615	0.97670
2.0	0.97725	0.97778	0.97831	0.97882	0.97932	0.97982	0.98030	0.98077	0.98124	0.98169
2.1	0.98214	0.98257	0.98300	0.98341	0.98382	0.98422	0.98461	0.98500	0.98537	0.98574
2.2	0.98610	0.98645	0.98679	0.98713	0.98745	0.98778	0.98809	0.98840	0.98870	0.98899
2.3	0.98928	0.98956	0.98983	0.99010	0.99036	0.99061	0.99086	0.99111	0.99134	0.99158
2.4	0.99180	0.99202	0.99224	0.99245	0.99266	0.99286	0.99305	0.99324	0.99343	0.99361
2.5	0.99379	0.99396	0.99413	0.99430	0.99446	0.99461	0.99477	0.99492	0.99506	0.99520
2.6	0.99534	0.99547	0.99560	0.99573	0.99585	0.99598	0.99609	0.99621	0.99632	0.99643
2.7	0.99653	0.99664	0.99674	0.99683	0.99693	0.99702	0.99711	0.99720	0.99728	0.99736
2.8	0.99744	0.99752	0.99760	0.99767	0.99774	0.99781	0.99788	0.99795	0.99801	0.99807
2.9	0.99813	0.99819	0.99825	0.99831	0.99836	0.99841	0.99846	0.99851	0.99856	0.99861
3.0	0.99865	0.99869	0.99874	0.99878	0.99882	0.99886	0.99889	0.99893	0.99896	0.99900
3.1	0.99903	0.99906	0.99910	0.99913	0.99916	0.99918	0.99921	0.99924	0.99926	0.99929
3.2	0.99931	0.99934	0.99936	0.99938	0.99940	0.99942	0.99944	0.99946	0.99948	0.99950
3.3	0.99952	0.99953	0.99955	0.99957	0.99958	0.99960	0.99961	0.99962	0.99964	0.99965
3.4	0.99966	0.99968	0.99969	0.99970	0.99971	0.99972	0.99973	0.99974	0.99975	0.99976
3.5	0.99977	0.99978	0.99978	0.99979	0.99980	0.99981	0.99981	0.99982	0.99983	0.99983

APPENDIX VI: MAP OF STUDY AREA



Source: (Google maps, 2018)

Map of Nairobi County