THE INFLUENCE OF CORPORATE LEADERSHIP ON STRATEGY IMPLEMENTATION IN COMMERCIAL BANKS IN KENYA

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Accepted: July 17, 2017

Abstract

The main purpose of this study was to examine the influence of corporate leadership on the implementation of strategies in commercial banks in Kenya. The focus groups were senior and middle-level managers of commercial banks in Kenya. A mixed research approach, which combined qualitative and quantitative methods, was adopted for this study. Specifically a correlation cross-sectional field data aimed at testing the research hypotheses was used. The researcher used proportionate stratified random sampling technique to obtain a sample of 200 managers. Questionnaires were used to collect data. The organized data from both the qualitative and quantitative sources were entered into the computer application package SPSS after which descriptive and inferential statistics will be obtained. Descriptive statistics employed frequencies, percentages, means and standard deviations while inferential statistics employed Pearson (product moment) correlation coefficient and linear regression analysis. The study found a statistically insignificant relationship between corporate leadership and strategy implementation at 0.05 confidence level.

Key Terms: Corporate Leadership, Strategy Implementation, Commercial Banks, Leadership, Performance
Introduction

The debate on strategy implementation has become hot in the field of corporate management. This is due to the fact that successful strategies have been associated with successful strategy implementation (Jiang, 2009). There is research evidence that the implementation component of strategic management is much more important than strategy formulation and evaluation (Jooste and Fourie, 2009) yet strategy implementation remains unaddressed in the business world today (Hutzschenreuter and Kleindienst, 2006). According to Homburg et al. (2008), implementation of strategy is very critical and firms that implement strategies successfully have an obvious advantage of achieving high performance (Pella et al., 2013). A study conducted by Njagi and Kombo (2014) found a moderately positive relationship between strategy implementation and the performance of commercial banks in Kenya.

In spite of its importance, studies are reporting discouraging findings on implementation of strategies. Lawson (2008), reports that 37 per cent of corporate strategies fail. Franklin et al.’s (2009) study found that 34 per cent of new strategic efforts could not be implemented successfully. Studies by Economic Intelligence Unit (2013) and Project Management Institute (2014) reported that 44 percent of change initiatives fail. On the other hand a times’ (Farsight Leadership organization, 2007) study reports that 80 per cent of the companies have the right strategies, yet only 14 per cent of them implement the strategies successfully. As Raps (2004) notes these low success rates are discouraging since many companies in the recent past have invested significant amount of resources to improve their strategic planning.

Olson et al. (2005) argues that implementation proves difficult due to the need for coordinated efforts of individuals across firms where as Nyamwanza (2013) is of the opinion that strategy implementation fails due to poor preparation. These lapses arguably occur because managers fail to acknowledge the fact that strategy implementation is more of an art than a science (Shanley and Peteraf, 2006). Candido and Santos (2015) emphasize that implementing strategy is the most complicated and time-consuming part of strategic management which when failure occurs an organization suffers enormous costs. A part from wasting a significant amount of time and money, strategy failure results in lower employee morale and a diminished faith and trust in top management. In addition failure will create an even more rigid organization since a company that has failed to change will encounter more employee skepticism in its next attempt thus weakening subsequent planning cycles (Crittenden & Crittenden, 2008).

With the growing recognition that the most important problems in the field of strategic management are not related to strategy formulation, but rather strategy execution (Jooste and Fourie, 2009), a number of studies have increasingly focused attention on strategy implementation particularly because the process from strategy formulation to strategy implementation is ineffective and in adequate in today’s business world. In an attempt to address the barriers to implementation these studies have come up with various models of strategy implementation. One of the first models was offered by Hrebiniai and Joyce (1984). In their model, they argued that a well formulated strategy is the first critical ingredient of the execution process. This is followed by the design of a primary organizational structure, establishing operational level objectives, the design of operating structures and the creation of proper incentives and control mechanisms that support the execution. Higgins (2005) proposes a revision of Mckinsey’s original
‘7s’ model and proposes a ‘8s’ model consisting of strategy, systems and processes, leadership style, staff, resources, shared values and strategic performance. Brenes et al. (2007) highlight five dimensions of strategy implementation. These dimensions are the strategy formulation process, systematic execution, implementation control and follow-up, CEOs leadership, motivated management and employees and corporate governance. This study will particularly focus on the effect of corporate leadership on strategy implementation in commercial banks in Kenya.

**Statement of the Problem**
Strategy implementation has been widely recognized as a key management challenge (Li et al., 2008) yet it remains a comparatively under-addressed area in strategic management literature and business practice (Hutzschenreuter and Kleindienst, 2006). According to Candido and Santos (2015), strategy execution task is a complex and time-consuming part of strategic management. In addition, Li et al. (2008) describes strategy implementation as a dynamic, iterative and complex process which is composed of a series of decisions and activities by managers and employees who are affected by a number of interrelated internal and external factors as they strive to achieve strategic objectives through implementation of strategic plans. Blahova and Knapkova (2010) argue that the best formulated strategies may fail to produce superior performance if they are not successfully implemented. Davenport (2007) holds a similar view by arguing that a number of failures in business target achievement can be attributed to strategy implementation failures, not the strategy formulation itself. Therefore to be successful, a business strategy needs to be completed by an equally well taught out strategy (Schaap, 2006) in order to avoid the costs which accompany failure. This study focused on the effect of corporate leadership on strategy implementation in commercial banks in Kenya.

**Research objective**
To establish the influence of corporate leadership on strategy implementation in commercial banks in Kenya

**Research hypothesis**
H0: There is no statistically significant relationship between corporate leadership and strategy implantation in commercial banks in Kenya.

**Literature review**

**Theoretical framework**

**Transformational leadership**
The concept of “transforming leadership” was first put forth by McGregor Burns in 1978. According to Burns (1978), transforming leadership is a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents. Burns (1978) further added that transforming leadership occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality. The transforming leader shapes, alters, and elevates the motives, values and goals of followers achieving significant change in the process. Burns (1978) sees the power of transforming leadership as more noble and different from charismatic leadership, which he terms ‘heroic’ leadership, and executive or business leadership.

Bass (1985) built upon Burn’s (1978) original ideas of transforming leadership and came up with a theory which he called ‘transformational leadership’. According to Bass (1985), transformational leaders make followers aware of the importance of task outcomes, induce them to
sacrifice personal interests for the sake of the team or organization, and move them to higher order needs. As a result followers feel more confident, develop trust, admiration, loyalty, and respect in the leader and consequently they are motivated to do more than they originally expected. Transformational leadership is closer to the prototype of leadership that people have in mind when they describe their ideal leader, and it is more likely to provide a role model with which subordinates want to identify (Avolio & Bass, 1988). Yukl (2010) distinguishes between transforming and transformational leadership by arguing that where as Burn’s theory focuses more on social reform by moral elevation of followers’ values and needs, Bass’s transformational leadership focuses more on attaining practical organizational objectives. Hooper and Potter (2000), extend the notion of transformational leadership to identify seven key competences of ‘transcend leaders’: those able to engage the emotional support of their followers and thus effectively transcend change. These competencies are; setting direction, setting an example, communication, alignment, bringing out the best in people, the leader as a change agent and providing decision in crisis and on the ambiguous. On the other hand transactional leadership behaviors refer to activities that help clarify expectations for direct reports, help subordinates achieve desired rewards and avoid punishments, and help facilitate desired outcomes (Avolio & Bass, 1988).

Corporate leadership

Senior management plays a key role in the implementation of strategy within an organization (Mollahosein and Ahmakh, 2012) and a lack of leadership especially strategic leadership by senior management has been cited as one of the major barriers to effective strategy implementation (Njamwanza, 2013). According to Schaap (2006), strategy implementation is a hands-on operation and action oriented human behavioral activity that calls for executive leadership and key managerial skills. Shah’s (2005) findings showed that inadequacy in management skills and leadership and direction provided by departmental managers, along with poor understanding of roles, may affect the quality of strategy implementation. The survey revealed that individual managers perceive issues like inadequate management skills, ill-defined key implementation tasks as major barriers to strategy implementation. On the other hand, Kiprop and Kanyiri’s (2012) findings and also Buluma et al. (2013) cited lack of relevant skills and leadership qualities as major barriers to strategy implementation.

For effective implementation, top leaders must be committed to strategy implementation. According to Bower and Gilbert (2007), managers’ everyday decisions can create or destroy a company’s strategy. A study by Heide et al. (2002) revealed that 91 per cent of successful companies feel that having proper and committed management team plays a critical role in successful implementation of business strategy. On the other hand Jusoh and Parnell’s (2008) study found that reluctance from employees and leaders to accept high targets hampers strategy implementation.

Another biggest challenge in strategy implementation is lack of coordination and clear guidelines (Hrebiniak, 2005). Managers are therefore called upon to improve their coordination ability so as to improve chances of success. Thirdly managers are being called upon to perfect their communication ability so as to be able to sell and enhance understanding of strategy amongst employees (Hrebiniak, 2005). Hambrick and Cannella (1998) presented a framework in which successful implementation reflected the ability of top management to sell and champion the selected
strategy, while ensuring the necessary substantive actions associated with resource allocation, organizational structure, people appointments and selling activities upward; downward and across the firm are necessary to achieve implementation success. A survey conducted in association with Robert Kaplan of the Harvard Business School and Business Intelligence (Rousseau and Rousseau, 1999) indicated that more than 40 per cent of senior managers and more than 90 per cent of all employees stated that they did not believe that they had a clear understanding of their company’s strategy. Furthermore, Schaap’s (2006) study that was conducted in the casino industry within the state of Nevada, shows that over 38 per cent of senior managers do not communicate the company’s direction and business strategy to all of their subordinates. On the other hand, participation and involvement by top management is also crucial if strategy implementation is to be successful. Brenes et al. (2008) argue that top manager’s guidance, support and active involvement in strategy implementation is critical in the implementation of corporate strategic plans.

Hitt et al. (2007) outlined key strategic leadership actions that contribute positively to strategy implementation: (1) determining strategic direction; (2) establishing balanced organizational controls; (3) effectively managing the organization’s resource portfolio; (4) sustaining an effective organizational culture; (5) Emphasizing ethical practices; (6) developing human capital and maintaining core competencies and (7) developing social capital.

Strategy implementation

In the past few years there has been a significant shift of focus from strategy formulation to strategy implementation (Kalali et al., 2011). This is as a result of the growing recognition that the most important problems in the field of strategic management are not related to strategy formulation, but rather strategy implementation (Candido and Santos, 2015). Strategy implementation is essentially the most difficult and time-consuming part of strategic management that poses a significant challenge to organizations (Li et al., 2008). According to Franken et al. (2009), up 34 per cent of strategic change initiatives fail while the Economist Intelligence Unit (2013) and Project Management Institute (2014) estimate strategy implementation failure at 44 percent, confirming the difficulty of successful strategy implementation in organizations (Candido and Santos, 2015).

According to Pella et al. (2013), organizations that formulate and implement their strategies successfully definitely achieve high performance outcomes. A study conducted by Pella et al. (2013) and Sorooshian et al. (2010) found a significant positive relationship between strategy implementation and financial performance of firms studied. Also Njagi and Kombo’s (2014) study found a moderately strong relationship between strategy implementation and organizational performance.

In an attempt to identify the most important factors influencing implementation of strategic plans, several researchers have come up with various models of strategy implementation. Hrebinjak and Joyce (1984) presented one of the first models of strategy implementation. They argued that a well-articulated strategy is the critical ingredient of strategy implementation, followed by the design of a primary organizational structure, establishing operational level objectives, the design of operating structures and lastly, the creation of proper incentives and control mechanisms that support implementation. Higgins (2005) proposes a revision of Mckinsey’s original ‘7s’ model and proposes a ‘8s’ model consisting of strategy, structure, systems and processes, leadership style, staff, resources, shared values and strategic performance. Lichtblau (2011) identifies seven key success factors for effective
strategy implementation, namely: competence, confidence, commitment, creativity, competitive edge, communication and continuity. Lepsinger (2011) presents a framework for successful strategy implementation namely leader’s ability to manage change, appropriate structure, having the right people in right positions, alignment between leader actions and organizational values and priorities as well as organization wide cooperation and coordination. A study conducted by Jooste and Fourie (2009) identified strategic leadership, organizational culture, resource allocation, and organizational strategy as the most important barriers to strategy implementation. Nyamwanza (2013) did a case study review of prerequisites for strategy implementation among SMEs in Zimbabwe. The aim of the study was to establish whether or not entrepreneurs understood what was required in order for them to successfully implement strategies. The respondents identified fourteen potential prerequisites for successful strategy implementation. Among the factors identified include skilled employees, clear vision and goals, experienced and competent employees, effective communication and organizational culture and values. Nganga and Ombui (2013) conducted a study on factors influencing implementation of strategic plans in public secondary schools in Lari district, Kiambu County and found organizational structure and resource allocation as significant impeders to strategy implementation. However, leadership style and communication were found to be appropriate in the schools studied. The study will particularly look at the effect of the strategic human resources, corporate leadership, organizational culture, and corporate communication on strategy implementation in commercial banks in Kenya.

Empirical literature

Mbogua (2015) did a study on the relationship between strategic human resources management practices and employee retention in commercial banks in Kenya. The objective of the study was to determine the relationship between strategic recruitment, strategic training and strategic performance management and employee retention in commercial banks in Kenya. The study established that by practicing strategic human resource management practices, organizations are able to remain competitive.

Maurice (2015) studied the challenges of strategy implementation in private hospitals in Kenya: A case study of Aga Khan University. The study sought to investigate the effect of corporate structure, corporate communication, leadership and technological changes on strategy implementation. Among other conclusions the study concluded that a timely and regular communication was not done and that the communication done did not solicit feedback from the lower levels. This resulted in uncertainty characterized by inadequate communication and feedback, confusion over goals or expectations and conflicting accountabilities. The study further concluded that leadership to a great extent affects the implementation of strategies in private hospitals. The study highlighted that most employees were not in psychological contract with leadership and there was a general feeling that the leadership did very little to provide clear milestones and a defined picture of what success looks like resulting into lower levels of motivation. It was recommended that a ‘cascading’ design and implementation process for the organization in which strategic information flows downwards from the executive to the managers and employees, and back to the executive carrying out identified changes that need to be made in order to successfully implement the strategy. It was further recommended that the leadership invest more time in ensuring employees at all levels are engaged in and motivated by the execution process.
Mwanje (2016) examined the challenges of strategy implementation in selected sugar companies in Kenya. The main purpose of the study was to investigate the effect of external environment, organizational structure, managerial skills, organizational culture and quality of workforce training on strategy implementation in these firms. He found a positive significant relationship between these variables and strategy implementation. On the basis of these findings Mwanje (2016) suggested the following recommendations: companies should recognize that educating and training its workforce is fundamental to the success of the strategy and therefore sugar firms should set aside budgets for the development of their workforce. Secondly, the study recommended the alignment of strategy to structure and alignment of performance contracts to strategic objectives and targets for each department. Thirdly, the study recommended that regular feedback loop with employees on strategy implementation will ensure success. Finally, Mwanje recommended that there should be fair processes in place and that staff at all levels should be involved in strategy formulation to facilitative ownership of the strategy.

Kihara (2016) investigated the influence of strategy implementation on the performance of manufacturing SMEs in Kenya. The specific objectives of the study were to examine the effect of leadership styles, structure, human resources, technology and strategic direction on the performance of these firms. Of these five drivers of strategy implementation, leadership styles, structure, human resources and technology had a positive and statistically significant effect on the performance of these firms. The study recommended that manufacturing SMEs should build more and stronger capacities and capabilities in leadership skills by adopting more of transformational leadership qualities, maintaining flexible structures that are well matched on their goals, maintain a proper balance between strategy and human resources and pay close attention to their technology requirements.

Oketch and Kiiika (2017) reviewed literature on the link between top management characteristics (TMT), strategy execution and firm performance. From the study they concluded that even though TMT characteristics may influence the performance of their firms, such an influence will be through the implementation of the various strategies identified the organization. They further added that the implementation of strategies may influence the bottom line of an organization, but this relationship happens through the decisions and actions of TMT.

Kabaiku and Karanja (2017) examined the effects of leadership on strategy execution in private dairy firms in Mount Kenya region. Their objective was to determine the effect of the leadership style, leadership support, leadership communication and leadership structure on strategy execution. They found a positive significant relationship between leadership and strategy execution in the firms. The study recommended that the leaders should be responsible for formulating and communication the strategy, managing the alignment of people for strategy implementation, ensuring that all employees understand the strategy, buy into it and align their decisions and actions accordingly. The study further recommends the creation of a leadership team that is unified around the strategy which is the most important pre-requisite for successful strategy implementation because strategy requires new levels of cross-functional integration. They finally recommended that organizational strategies and plans should be shared by employees and should never be closed guarded by top management.

Research methodology
The study used both qualitative and quantitative techniques where cross-sectional data was collected to test the stated hypothesis. The target population was commercial banks in Kenya which numbered 44 as at 2014. The sample size was 40 banks. Five managers were purposely picked from each of these 40 commercial bringing the total number of managers to be issued with questionnaires to 200. Prior to the actual study a pilot test was conducted to test the reliability and validity of the research instrument. Data collected was entered into the application software where both descriptive and inferential statistics were generated.

Findings

Out of the 120 questionnaires that were distributed, 86 questionnaires representing a response rate of 72 percent were completely filled and returned. On gender, 75.6% of the respondents were male while 24.4% were female. On age, 14% of the respondents were aged between 21-30 years, 57% were aged between 31-40 years, 23% between 41-50 years and 5.8% between 51-60 years. Further, 2.3% of the respondents had A level qualification, 1.2% higher diploma, 52.3% bachelors degree, 43% masters degree and 1.2% doctoral degree. On level of understanding of strategy, 80.2% of the respondents indicated that they have been trained on strategic planning and implementation, 17.4% indicated they have never been trained while the remaining 2.3 were not sure whether they been trained on such.

Descriptive statistics

Effect of corporate leadership on strategy implementation

<table>
<thead>
<tr>
<th>Statement</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>He / She gives us the freedom to succeed</td>
<td>86</td>
<td>4.24</td>
<td>.894</td>
</tr>
<tr>
<td>He / She communicates well with people</td>
<td>86</td>
<td>4.20</td>
<td>.931</td>
</tr>
<tr>
<td>He / She takes our input/feedback/comments into consideration when making a decision</td>
<td>86</td>
<td>3.90</td>
<td>.946</td>
</tr>
<tr>
<td>He / She is good at coordinating</td>
<td>86</td>
<td>4.12</td>
<td>.832</td>
</tr>
<tr>
<td>He / She is sensitive to what is going on in the organization</td>
<td>86</td>
<td>4.42</td>
<td>.694</td>
</tr>
<tr>
<td>He / She provides us with clear expectations</td>
<td>86</td>
<td>4.28</td>
<td>.807</td>
</tr>
<tr>
<td>He / She encourages and motivates staff to succeed</td>
<td>86</td>
<td>4.19</td>
<td>.875</td>
</tr>
<tr>
<td>He / She is good at influencing others</td>
<td>86</td>
<td>4.08</td>
<td>.857</td>
</tr>
<tr>
<td>He / She is hardworking</td>
<td>86</td>
<td>4.41</td>
<td>.726</td>
</tr>
<tr>
<td>He / She is focused on the success and reputation of the organization, not his own</td>
<td>86</td>
<td>4.38</td>
<td>.843</td>
</tr>
<tr>
<td>There is adequate commitment of managers to the organization and its strategic plans</td>
<td>86</td>
<td>4.12</td>
<td>.742</td>
</tr>
<tr>
<td>Managers have put systems in place to monitor implementation of strategy</td>
<td>86</td>
<td>3.99</td>
<td>.819</td>
</tr>
<tr>
<td>He / She understands the company strategy</td>
<td>86</td>
<td>4.50</td>
<td>.699</td>
</tr>
<tr>
<td>Meetings are held frequently in this organization</td>
<td>86</td>
<td>4.35</td>
<td>.904</td>
</tr>
<tr>
<td>There are healthy discussions during staff meetings</td>
<td>86</td>
<td>4.08</td>
<td>.948</td>
</tr>
<tr>
<td>Managers frequently remind employees of the organization's vision, mission and strategic objectives</td>
<td>86</td>
<td>4.12</td>
<td>.963</td>
</tr>
</tbody>
</table>
There is adequate coordination by managers to ensure all departments are focused towards organizational objectives

| Table | Valid N (listwise) | N | Mean | Std. Dev. | Correlation
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>All employees' efforts are coordinated to a total effort</td>
<td>86</td>
<td>4.01</td>
<td>.804</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Respondents were asked to indicate whether their CEO gives them the freedom to succeed and majority of the respondents agreed with a mean score of 4.24 and standard deviation of 0.894 that indeed their CEO gave them the freedom to succeed. On whether the CEO communicates well with people, majority again agreed with a mean score of 4.20 and standard deviation of 0.931. On feedback majority of the respondents agreed with a mean score of 3.90 and standard deviation of 0.946 that their CEO takes their input into consideration in making decisions. Respondents also agreed (with a mean score of 4.12 and standard deviation of 0.832) that he/she is good at coordinating. They equally agreed with a mean score of 4.42 and standard deviation of 0.694 that he is sensitive to what is going in the organization. Respondents were also asked whether their CEO provided them with clear expectations. Majority agreed with a mean score of 4.28 and standard deviation of 0.807 that indeed the CEO provides them with clear expectations. Similarly, majority agreed (mean 4.19 and standard deviation 0.875) that that their CEO encourages staff to succeed, he is good at influencing others (mean 4.08 and standard deviation 0.857), he is hard working (mean 4.41 and standard deviation 0.726) and focused on the success and reputation of the organization not his own (mean 4.38 and standard deviation 0.843). On commitment, most respondents agreed with a mean of 4.12 and standard deviation of 0.742 that there is adequate commitment of managers to the organization and its strategic plans. Whether managers have put adequate systems in place to monitor implementation of strategy. On understanding of strategy respondents strongly agreed (mean score of 4.50 and standard deviation of 0.699) that their CEO understands the company strategy. Respondents were also asked whether meetings are held frequently in organizations, majority agreed (mean score 4.35 and standard deviation 0.904) that meetings are regularly held in their organizations. Similarly respondents agreed with mean score 4.08 and standard deviation) that there are healthy discussions during such meetings. Meetings provide management with an opportunity to communicate the vision, mission, strategies and policies of an organization. More so they offer managers an opportunity to communicate their expectations and gather feedback from lower-level employees who are closer to the customers. A study by Kyalo et al. (2016) on the effect of organizational leadership on strategy implementation in Kenya’s tourism industry found that leaders contribute to the success of strategy implementation by holding departmental meetings to discuss various issues, providing tools for open discussion and speeding up the approval of budgets.

On whether managers frequently reminded employees of the organization’s vision, mission and strategic objectives, respondents agreed with a mean score of 4.12 and standard deviation of 0.963) that they are frequently reminded of the organization’s vision, mission and strategic objectives. These findings are in line with Kagumu (2016) who studied the organizational factors influencing strategy implementation in the Anglican Church of Kenya. He found that the church’s vision was clear to all. However, these findings deviate from Schaap’s (2006) study that was conducted in the casino industry within the state of Nevada.

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Schaap (2006) found that over 38 per cent of senior managers do not communicate the company’s direction and business strategy to all their subordinates. Ombina et al. (2010) advise that leaders should focus their members in the same direction with CEOs being at the forefront to provide vision, initiative, motivation and inspiration. Finally, respondents were asked whether there is adequate coordination by managers to ensure all departments are focused towards organizational objectives, respondents agreed with a mean score of 4.01 and standard deviation of 0.819 that there is adequate coordination by managers to ensure all departments are focused towards organizational objectives. They also agreed (mean score 4.01 and standard deviation 0.804) that all employees are coordinated to a total effort. Overall, corporate leadership variable had a mean score of 4.19. This implies that the CEOs in commercial banks have the capabilities required to successfully implement strategy.

**Table 2: Strategy Implementation**

<table>
<thead>
<tr>
<th>statement</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have always been personally involved with strategy implementation</td>
<td>86</td>
<td>3.80</td>
<td>1.115</td>
</tr>
<tr>
<td>Key stakeholders(e.g board of directors, middle-level managers, suppliers t.c are involved in strategy formulation)</td>
<td>86</td>
<td>4.06</td>
<td>.998</td>
</tr>
<tr>
<td>We often meet to discuss the company’s direction, strategy and future business plans</td>
<td>86</td>
<td>3.92</td>
<td>1.065</td>
</tr>
<tr>
<td>The company was highly successful in trying to achieve its financial and/ or strategic performance targets in the last financial year</td>
<td>86</td>
<td>3.98</td>
<td>1.062</td>
</tr>
<tr>
<td>There are adequate mechanisms of evaluating and monitoring the performance of the strategy</td>
<td>86</td>
<td>4.12</td>
<td>.938</td>
</tr>
<tr>
<td>Senior management has tied the compensation of immediate subordinates to the achievement of the set performance targets</td>
<td>86</td>
<td>3.86</td>
<td>1.097</td>
</tr>
<tr>
<td>Strategy Implementation activities are effectively coordinated</td>
<td>86</td>
<td>3.86</td>
<td>.984</td>
</tr>
<tr>
<td>Our customers have fewer complaints about the services we offer</td>
<td>86</td>
<td>3.71</td>
<td>.969</td>
</tr>
<tr>
<td>Key implementation tasks are well defined</td>
<td>86</td>
<td>3.95</td>
<td>.839</td>
</tr>
<tr>
<td>The information system adequately monitors activities</td>
<td>86</td>
<td>3.98</td>
<td>.958</td>
</tr>
<tr>
<td>Our customers are happy about the services we offer</td>
<td>86</td>
<td>3.91</td>
<td>.806</td>
</tr>
<tr>
<td>There is a sense of teamwork in implementing the strategic performance targets set for the company</td>
<td>86</td>
<td>4.03</td>
<td>.774</td>
</tr>
<tr>
<td>Customer complaints are taken seriously by management</td>
<td>86</td>
<td>4.36</td>
<td>.810</td>
</tr>
<tr>
<td>The organization has installed a customer relationship management system</td>
<td>86</td>
<td>4.26</td>
<td>.960</td>
</tr>
</tbody>
</table>

Respondents were asked whether they have always been involved in strategy implementation, majority of the respondents agreed with a mean score of 3.80 and standard deviation of 1.115. They also agreed (mean score 4.06 and standard deviation 0.998) that key stakeholders like board of directors, suppliers, middle-level are involved in strategy implementation and that managers often meet to discuss the company’s direction, strategy, and future business plans (mean score 3.92 and
standard deviation 1.062). On target achievement, majority of the respondents agreed that their company was highly successful in trying to achieve its financial and or strategic performance targets in their last financial year (mean score 3.98 and standard deviation 1.062). From table 2 majority of the respondents agreed (mean score 4.12 and standard deviation 0.938) that there are adequate mechanisms of evaluating and monitoring the performance of the strategy. Respondents also agreed (mean score 3.98 and standard deviation 0.958) that the information system adequately monitors activities. On compensation, table 4.7 shows that majority of the respondents agreed with a mean score of 3.86 and standard deviation of 1.097) that senior management has tied the compensation of immediate subordinates to the achievement of the set strategic performance targets.

On customer satisfaction, respondents agreed with a mean score of 3.71 and standard deviation of 0.969 that their customers have fewer complaints about the services they offer. Respondents also agreed (mean score 4.36 and standard deviation) that customer complaints are taken seriously by management. On team teamwork table 2 shows that respondents agreed (mean score 4.03 and standard deviation 0.774) that there is a sense of teamwork in implementing the strategic performance targets set for the company. Finally, respondents were asked to indicate whether their organization has installed a customer relationship management (CRM) system. Majority of the respondents agreed with a mean score of 4.26 and standard deviation 0.960) that their organizations have installed the CRM. Overall, strategy implementation variable had a mean score of 3.99 agreed. The implication of this score is that in the respondents’ view there exists the requirements of successful strategy implementation in commercial banks in Kenya. These findings were displayed on table 2

**Pearson Correlation Analysis**

The findings showed a positive and strong relationship between corporate leadership and strategy implementation. ($r = 0.754$). However, the study found a statistically insignificant relationship between corporate leadership and strategy implementation in commercial banks in Kenya. The Pearson (product moment) correlation coefficient varies over a range +1 through 0 to -1. The designation $r$ symbolizes the coefficient’s estimate of linear association based on the sampling data. Correlation coefficient reveals the magnitude and direction of relationships between the variables under study. The magnitude is the degree to which variables move in unison or opposition (Stigler, 2002). Stigler (2002) further demonstrates that values less than 0.05 level of confidence can be considered statistically significant. These findings are comparable to Chiuri (2015) who studied the challenges of strategy implementation in Higher Education Institutions in Kenya. The main objectives were to establish the effect of institutional culture; external environment; organizational structure; managerial skills and human resource development on strategy implementation. The study found a statistically insignificant relationship between managerial skills and strategy implementation at 0.05 level of confidence.

**Regression Analysis**

Coefficient of determination predicts the amount of variance accounted for in criterion (strategy implementation) from a set of predictors (corporate leadership). Table 3 below showed the model summary for the independent variable (corporate leadership).
Table shows that the $R^2$ for the corporate leadership variable is 0.569 which is not significantly different from the adjusted $R^2$ of 0.564. This means that corporate leadership when taken alone explains 56.9% of the variance in strategy implementation in commercial banks in Kenya.

**Regression coefficient for corporate leadership**

Table coefficients of the independent variables

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
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<td>.263</td>
<td>1.205</td>
<td>.232</td>
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<tr>
<td>1</td>
<td>Corporate_Leadership</td>
<td>.024</td>
<td>.122</td>
<td>.022</td>
</tr>
</tbody>
</table>

As can be from table 4 the regression coefficient for corporate leadership 0.024 is not significantly greater than zero since the significance of the t statistic 0.843 is greater than 0.05. We therefore conclude that there is no statistically significant relationship between corporate leadership and strategy implementation in commercial banks in Kenya.

**Hypothesis Testing**

The study used linear regression analysis to establish the linear statistical effect of the independent variable (corporate leadership) on the dependent variable (strategy implementation) of this study. The null hypothesis that was tested in this study is stated as under:

$H_0$: There is no statistically significant relationship between corporate leadership and strategy implementation in commercial banks in Kenya.

As indicated in table 2, the coefficient of corporate leadership 0.024 was not significantly greater than zero since the significance of the t statistic 0.843 is greater than the p-value of 0.05. We therefore accept the null hypothesis that there is no statistically significant relationship between corporate leadership and strategy implementation in commercial banks in Kenya and reject the alternative hypothesis that there is a statistically significant relationship between corporate leadership and strategy implementation in commercial banks in Kenya. These findings are comparable to Chiuri (2015) who examined challenges of strategy implementation in Higher Education institutions in Kenya. The specific objectives were to establish the effect of institutional culture; external environment,
organizational structure; managerial skills and human resource development on strategy implementation. The study revealed that institutional culture on its own in the regression model explained the highest of the variation in strategy implementation followed by human resource development, managerial skills, external environment and organizational structure in that order. On the overall model organizational structure and managerial skills had an insignificant effect on strategy implementation resulting to an optimal model made up of organizational culture, external environment and human resource development. However, these findings contradict Kibicho (2015) who studied the determinants of strategy implementation in insurance firms in Kenya. He examined the effect of managerial competencies, resource strength, corporate culture and innovation on strategy implementation success. He found leadership to be the number one determinant of strategy implementation.

**Conclusion**

Corporate leadership has no statistically significant influence in strategy implementation in commercial banks in Kenya. Dimensions of leadership that were examined in this study include CEO’s willingness to give subordinates freedom to succeed, his or communication and coordination ability, giving due regard to employee feedback, ability to influence and motivate staff to succeed, ability to provide clear expectations to subordinates, their understanding of strategy and commitment to strategic planning.

**Recommendation**

Senior management of banks should empower employees and give them the freedom to succeed. This will go a long way in motivating to own the organizations they work for. They should provide their subordinates with clear expectations and should be role models by displaying commitment to implementation of strategic plans.

**Suggestions of Further Research**

Since organizations differ in their nature, it is recommended that similar studies are done in other sectors especially manufacturing organizations. Similarly, future researchers should focus on studying other variables not included in this study like organizational structure, formulation and financial resources. Lastly, data collection for this study was concluded a few days to the presidential assent of the bill capping interest rates in Kenya. Since for now the long term effects of this law are not clear, future researchers should do the same study in the banks to verify whether the hypotheses tested withstand the test of time.

**References**


