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Karani, R. O., & Gitau, R.

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EFFECT OF STRATEGIC MANAGEMENT PRACTICES ON ORGANIZATIONAL GROWTH: A CASE OF DIAMOND TRUST BANK

Karani, R. O.,[1*] & Gitau, R.[2]

[1*] Msc. (Strategic Management)Candidate, Jomo Kenyatta University of Agriculture & Technology [JKUAT], Kenya
[2]Ph.D, Lecturer, Jomo Kenyatta University of Agriculture & Technology [JKUAT], Kenya

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ABSTRACT

This research study focused on investigating the effect of strategic management practices on organizational growth. The study aimed at establishing how effect of strategic partnerships, effect of service innovation and agency banking, result of technology and outcome of customer experience Management strategies on the organizational growth of DTB. To achieve this, the researcher reviewed both theoretical and empirical literature and proposed the research methodology that addressed the gaps identified in literature as well as answer the stipulated research questions. This research study adopted a descriptive research design approach. The study preferred this method because it allowed an in-depth study of the subject. To gather data, structured questionnaire was used to collect data from 50 senior managers. Once collected, data was analyzed using descriptive and inferential statistics. Quantitative data was analyzed using multiple regression analysis. The qualitative data generated was analyzed by use of Statistical Package of Social Sciences (SPSS) version 20. The response rate of the study was 96%. The findings of the study indicated that technology adoption, strategic partnerships, customer experience management and agency banking have a positive relationship with organizational growth. Finally, the study recommended that banks should embrace strategic management practices so as to improve organizational growth and further researches should to be carried out in other institutions to find out if the same results can be obtained.

Key Words: *Technology Adoption, Strategic Partnerships, Customer Experience Management, Agency Banking, Organizational Growth*

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INTRODUCTION

Various definitions of strategy exist, and numerous schools of thought have their own ideas of what strategy is, however all agree that every organization must have a visionary long-term objective, break down the long-term objective to actionable goals and tasks, allocate resources towards implementation and monitoring of those tasks then the entity can be said to have a strategy. Formulation, implementation, evaluation of goals and objectives are key parts in strategic management.

This process is undertaken by the top leadership team on behalf of the shareholders, board of directors and employees after completion of an internal and external analysis of strengths, weaknesses, opportunities and threats. Strategies are key to companies since they lead the top management towards setting direction, focusing effort, defining and or clarifying the organizational goals, and providing steadiness in response to the organizational setting. Strategic planning can help leaders and managers of public organizations to think, learn and act strategically, (Bryson, 2004).

Strategy is the bridge connecting organizations and external the external environment. Strategy is reflected in the model of tactics and approaches organized by management to generate the key performance indicator. Organizational formulation of strategy as derived from the vision and mission of a company is a representation of an agreement from top leadership. It's a commitment towards employing a coordinated set of defined actions that will increase market share, return on investment, guarantee customer satisfaction and stay on top of the competitive pack more so in the financial market.

Diamond Trust Bank (DTB) a listed bank in Nairobi Stocks Exchange is a leading tier one bank with branches on various countries within eastern Africa. The bank is associated and linked together with Aga Khan Development Network (AKDN) and from its inception; DTB has been doing the activities in East Africa for seven decades.

As of December 2013, the group is ranked the eighth largest commercial bank, by assets, out of 43 licensed banks in Kenya. For a long time DTB operated as a small-scale community-based institution working mainly with members of the Ismailia community and in 1965 the entity was split up to cover operations in Kenya, Uganda and Tanzania operating under the DJIT group head. This saw a transformation in the financial institution from a local Ismailia entity to a financial institution focusing on hire purchase to other members of the public.

Fast forward to 1983 a change of name from DJIT to Diamond trust Kenya (DTK) was floated for the Kenyan entity and various offers were received from key investors and shareholders among them the international finance cooperation. And the Agakhan group. Further down the line in 1997, DTK was issue with an operator's license for a commercial bank and changed its name to Diamond trust Bank (DTB) offering a full range of service towards targeting small and middle level organizations. Diamond Trust Bank (DTB) is a financial services provider which offers financial solutions such as cash deposits, withdrawals, custody services, loans among others.

Statement of the Problem

Strategic management practices crucial in turning the cogs that lead to organizational growth. Every day, organizations face stiff competition forcing some to close shop because of inability to stay open. The strategic management process guarantees leadership towards well thought out decision due group interactions. In these group interactions various top leaders challenge each other with data, assumptions and market intelligence to formulate the best cause of action.

Involvement and cascading of strategies to the whole organization up-to and including the shop floor, not only gains buy in but also ownership from all the various employees and even the external stakeholders in the industry. Goals are aligned, activities are geared towards the same direction amongst all the individuals in various departments due clarity of the role played by each team member. Finally, the whole organization embraces the change. Diamond Trust Bank (DTB) is a leading regional bank, listed on the Nairobi Securities Exchange (NSE) which has over seventy years of experience in operations within Eastern Africa.

DTB won a whooping ten awards at the 2016 Think Business Banking Awards, which included among others Best company in Leadership Engagement. The Bank's heritage and values are articulated in its brand promise, Achieve More, and brought to life through an engaged diverse workforce In just few years DTB has expanded its reach and not only is if located in various countries within Eastern Africa, it has 130 branches and numerous other agency options in its network.

It has grown from a tier three bank that used to focus on one community to a now tire one bank that focuses on small and medium enterprises in a country that has over 43 banks as at 2018. Achieving this growth in the turbulent environment can be attributed to many factors which are strategic in nature. It is important to identify and evaluate the particular strategic management practices DTB adopted which turned the once loss making entity into profitability.

Since most studies done in relation to DTB focused on the effect of the volatile regulated banking industry environment in which DTB operates and what it has done to deal with those challenges: Boro (2013) Extent to which competitive intelligence practices influence achievement of competitive advantage in DTB, Kanethe Eric (2009) Relationship between operational efficiency and growth of commercial banks in Kenya. None has focused on the specific strategic management practices and its effects on organizational growth. It is against this back drop that this study aimed at assessing the effect of these strategies' management practices on the growth of Diamond Trust Bank and add to the body of knowledge.

Objectives of the Study

The general objective of the study was to determine the effect of strategic management practices on the organizational growth of Diamond Trust Bank. The specific objectives were:-

- To determine the effect of technology adoption on the organizational growth of Diamond Trust Bank.
- To establish the effect of strategic partnerships on growth of Diamond Trust Bank.
- To investigate the effect customer experience management on the organizational growth of Diamond Trust Bank.
- To examine the effect of agency banking on the organizational growth of Diamond Trust Bank.

LITERATURE REVIEW

Theoretical Review

Resource Based Theory

The basis of this theory is reliant on the key idea that timely efficient and effective application of the key useful resources a company can gather assist the entity in determining its competitive advantage (Anne Marie Dixon, 2011). The basis of the theory oscillates around a need of harmonization and balance between the external market and the core internal capabilities of an organization. The theory presents a view seen as classical explaining achievement and sustainability of competitive advantage over time. (Barney, 1991).

This Resource based theory views a company as a congregation of assets or skills. In today's modern world most of the assets and skills are soft or intangible. For a company to be truly successful, she will have to leverage on distinctive capabilities, skills and assets. Businesses with unique capabilities have traits which others cannot replicate, even after they realize the benefit they offer to the firm which originally possesses them (John Kay, 2007)

Dynamic Capabilities Theory

Dynamic capabilities theory ascertains that a capability or a skill is a sum of learned processes and activities, knowhow enabling an organization to produce an outcome. In his study (David Teece, 2013) sites that ordinary capabilities are similarly to industry practices that spread across the companies in a certain industry. Dynamic capabilities (DC), unlike ordinary capabilities, are distinctive, that is, unique to each company and rooted in the company's history. They are captured not just in routines, but in business models that go back decades and that are difficult to imitate (Lynda Gratton, 2013).

Institutional Theory

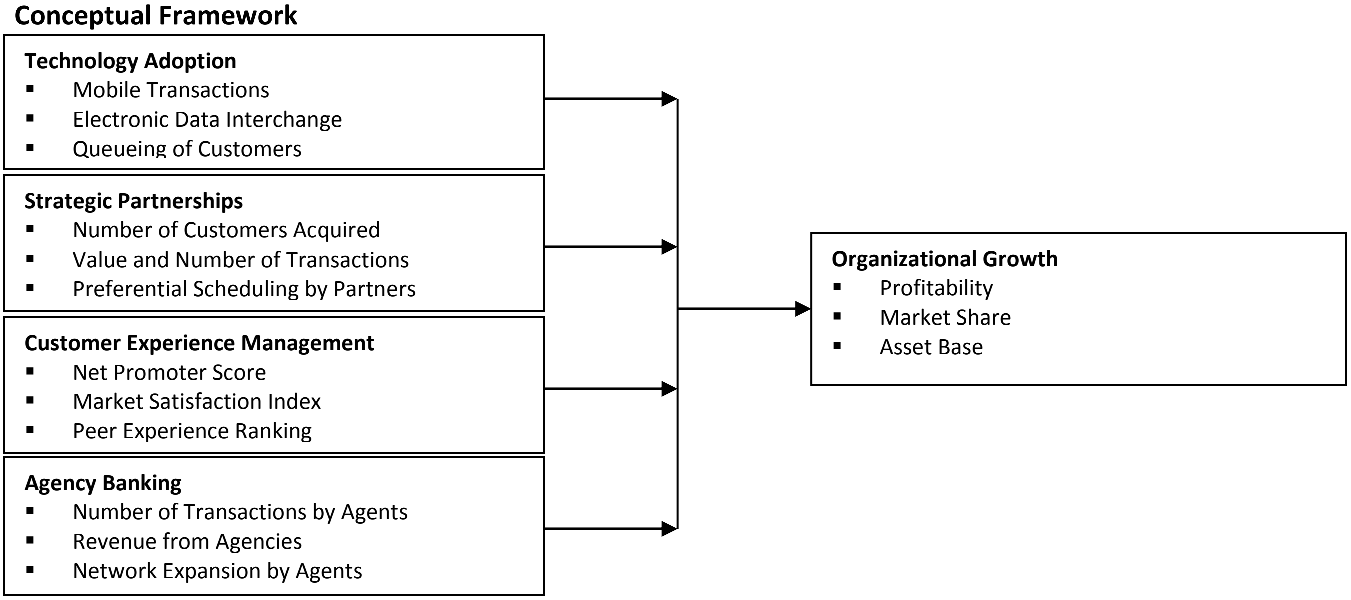
Institutional theory is a widely used theory in strategic management studies. Kraft's private policy summarizes the theory as a policy-making that emphasizes the Customer Experience Management aspect of organizational structures (Zheng, 2007). It considers processes by which structures, including schemes and rules become established by authoritative figures as guidelines for social behavior.

Wood (2012) portends that it explains how the elements are created, diffused, adopted, and adapted over space and time; and how they fall into decline and disuse. Institutions are transmitted by various types of carriers, including symbolic systems, relational systems, routines, and artifacts. Institutions and customers operate at different levels of jurisdiction, from the world system to localized interpersonal relationships.

The Theory of Accountability

Ruggeri and Rios (2014) sought to define the said theory as a perception of justification by one party to another in relation to their behavior. This leads to a feeling of accountability as to the process by which conclusions are arrived at. This sought-after justification of accountability in relation to decision making increases the outcome that one will be logical and systematic about their behaviors. This theory was originally developed by Tetlock (2010) and has been effectively applied in organizational research.

Conceptual Framework



Independent Variables **Dependent Variable**

Figure 1: Conceptual Framework

Source: Author (2019)

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Empirical Review

Technology Adoption

In today's world data is king and for data to easily be acquired, processed analyzed and presented for decision making, companies will rely on information technology. Over the years the banking sector has also not been left behind, investing in (Information, communication and technology) ICT research and development, banks have applied the technological solution the raise efficiencies , reduce waste and save on time and effort resulting in better customer experiment and lower cost of doing business.

Moreover, in adopting the changes in presented by ICT to better Customer Experience Management, the competitive bar has been moving up and up, year on year. New services that used to be offered by Mobile Network Operators such as mobile money have become the norm of the day and any banking institution without mobile money , mobile applications , internet banking shall be left behind and shall affect employee productivity.

Strategic Partnerships

Strategic alliances in the financial sector are based on cooperation in a variety of activities, ranging from supply and marketing to knowledge sharing and branding. For their members, they are a source of sustainable competitive advantage. Ever since the 1990s, a growing number of firms from the financial sector have attempted to improve their performance through participation in strategic alliances.

It's very essential for organizations to enter into a Strategic partnership with clear and precise plans highlighting the objectives, goals, roles and responsibilities of each party that will lead to a mutual benefit. Buckley and Casson (1988), posit that strategic alliances enable company to company learning with the preferred partnerships creating a better working relationship and synergy leveraging on risk reduction, economies of scale and scope, production and rationalization, convergence of technologies and better local acceptance.

Customer Experience Management

Experts in the financial sector have a difference of opinion when compared to Customer Experience Management experts in relation to what is effective and efficient Customer Experience Management in the banking industry. Needless to say, they are in agreement that despite their differences, Customer Experience Management in this day and age cannot be ignored. Issues on impact of improved Customer Experience Management towards banking profitability have been discussed for ages in banks.

Various elements of what good Customer Experience Management is revolves around perception of the brand, location of the banking hall, perception of the target market, tact, communication, guidance , banking hours, banking channels, emotional connection and a feedback loop to the complaints raised by customers are just but to name a few. The vital role played by Customer Experience Management in the Kenyan banking fraternity is necessary for business continuity, expansion and delivery of bottom line results. All successful business has stated the ability to differentiate by Customer Experience Management has given them an upper edge in their various industries putting them higher when compared with competition.

Agency Banking

World-over banks are identifying new ways of making more profits by tapping to the unbanked and underbanked clientele. Aside from the traditional brick and mortar halls, banking services are now available through retail outlets, postal offices, petrol station, supermarkets, pharmacies, among many other small enterprises. For the unbanked and underbanked, branchless banking through retail agents provides a means that is more convenient that going into a banking hall (Lyman, Ivatury & Staschen, 2006).

To enhance financial inclusion (market access), Banking Act of Kenya was amended in 2010 to pave way for agency banking. This has been aimed at leading to increased profitability of banks. Increased number of transactions facilitated by bank agents largely attribute to increases in transactions relating to payment of bills, mini statement requests, cash withdrawals and cash deposits which in turn improves profitability of commercial banks (CBK, 2014)

METHODOLOGY

The research was conducted using a descriptive research method. Kothari (2014) explains that descriptive design is used when collecting information about people's attitude, opinion and habit. The target population is the total number of subjects targeted by the study (Kasomo, 2011). The target population consisted of senior managers across various departments that formulate the leadership team, the total population is 100 senior managers and the target was 50% of the senior managers, the sample size was 50 managers. The study used primary data that was collected through a semi-structured questionnaire to collect information for quantitative and qualitative analysis. Data was collected mainly through questionnaires. The collected data was analyzed quantitatively and qualitatively. In analyzing the qualitative data, the study used descriptive statistics using Statistical Package for Social Sciences V. 20. The research used a multiple regression model.

$$Y= \beta_0+ \beta_1X_1+\beta_2X_2+\beta_3X_3 +\beta_4X_4 + \varepsilon$$

Where:

Y = Organizational Growth

β0 = Constant

β1, β2, β3, β4 = Beta Coefficients

X1 = Technology Adoption

X2 = Strategic Partnerships

X3 = Customer Experience Management

X4 = Agency Banking

E = Error Term

FINDINGS

Descriptive Statistics

The study set out to establish the effect of strategic management practices on organizational growth: A case of diamond trust bank. To this end, four variables were conceptualized as components of strategic management practices. These include; technology adoption, strategic partnerships, Customer Experience Management, agency banking.

Technology Adoption

The first objective of the study was to assess the effect of technology adoption on organizational growth. The respondents were asked to indicate to what extent technology adoption affected organizational growth. Results indicated that majority of the respondents 53% said it was very effective, 31% said that it was effective, 9% said it was somehow effective, while 7% said it was ineffective.

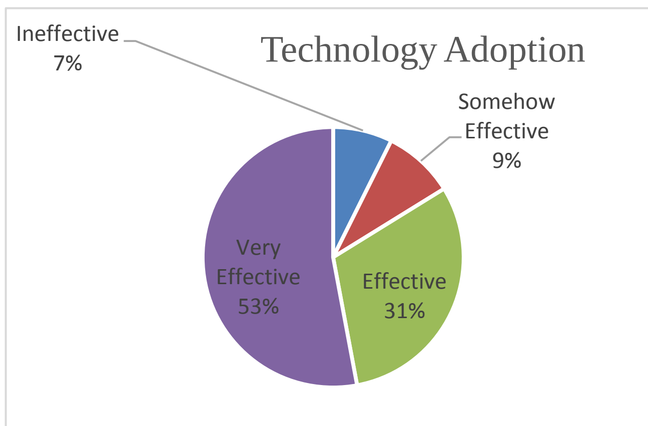

Figure 2: Technology Adoption

The respondents were also asked to comment on statements regarding the effect of technology adoption on organizational growth. The responses were rated on a Likert scale and the results presented in Table 1 below. It was rated on a 5-point Likert scale ranging from; 1 = strongly disagree to 5 = strongly agree. The scores of strongly disagree and disagrees were taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of neutral was taken to represent a statement agreed upon, equivalent to a mean score of 2.6 to 3.4. The

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score of agree and strongly agrees were taken to represent a statement highly agreed upon equivalent to a mean score of 3.5 to 5.

Results indicated that majority of the respondents 57.4% agreed on the statement that mobile transactions play a significant role in profitability. Further results indicated that 54.4% of the respondents were in agreement that electronic data interchange plays a significant role in profitability. A 60.3% of the respondents agreed that queueing of customers plays a significant role in profitability.

83.8% of the respondents expressed agreement on the statement that mobile transactions play a significant role in improving market share. Results indicated that majority of the respondents 82.3% agreed on the statement that electronic data interchange plays a significant role in improving market share. Results indicated that majority of the respondents 82.4% agreed on the statement that queueing of customers plays a significant role in improving market share.

Results also indicated that majority of the respondents 91.2% agreed on the statement that mobile transactions play a significant role in attaining a bigger asset base. Results indicated that majority of the respondents 70.6% agreed on the statement that electronic data interchange play a significant role in attaining a bigger asset base. Results indicated that majority of the respondents 83.8% agreed on the statement that queueing of customers plays a significant role in attaining a bigger asset base.

The average mean of all the statements was 3.97 indicating that majority of the respondents agreed on the statement that technology adoption affects organizational growth. However the variations in the responses were varied as shown by a standard deviation of 1.015. The findings agreed with Kinyanjui (2010) that adopting technology as a strategic management practice can be smart but if not done well can prove to be expensive and time consuming.

Table 1: Technology Adoption

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Deviation
Mobile transactions play a significant role in profitability	8.80%	5.90%	27.90%	26.50%	30.90%	3.65	1.231
Electronic data interchange plays a significant role in profitability	1.50%	4.40%	39.70%	50.00%	4.40%	3.51	0.723
Queueing of customers plays a significant role in profitability	2.90%	2.90%	33.80%	33.80%	26.50%	3.78	0.975
Mobile transactions play a significant role in improving market share	5.90%	4.40%	5.90%	41.20%	42.60%	4.1	1.095
Electronic data interchange plays a significant role in improving market share	5.90%	1.50%	10.30%	39.70%	42.60%	4.12	1.058
Queueing of customers plays a significant role in improving market share	8.80%	2.90%	5.90%	41.20%	41.20%	4.03	1.184
Mobile transactions play a	4.40%	1.50%	2.90%	47.10%	44.10%	4.25	0.936

significant role in attaining a bigger asset base							
Electronic data interchange play a significant role in attaining a bigger asset base	0.00%	0.00%	29.40%	29.40%	41.20%	4.12	0.838
Queueing of customers plays a significant role in attaining a bigger asset base	5.90%	2.90%	7.40%	33.80%	50.00%	4.19	1.096
Average						**3.97**	**1.015**

Strategic Partnerships

The second objective of the study was to establish the effect of strategic partnerships on organizational growth. The respondents were asked to indicate to what extent the strategic partnerships had on organizational growth. Results indicated that majority of the respondents 77% agreed that it was very effective, 12% said that it was effective, 7% said it was ineffective, while somehow effective was at 4%.

Figure 3: Strategic Partnerships

The respondents were also asked to comment on statements regarding effect of strategic partnerships on organizational growth. Results indicated that majority of the respondents 52.9% agreed on statement that number of customers acquired plays a significant role in profitability. Further results indicated that 61.8% of the respondents were in agreement that value and number of transactions plays a significant role in profitability. 69.1% of the respondents agreed that preferential scheduling by partners plays a significant role in profitability.

83.8% of the respondents expressed agreement on the statement that number of customers acquired plays a significant role in improving market share. Results indicated that majority of the respondents 86.7% agreed on the statement that value and number of transactions plays a significant role in improving market share. Results indicated that majority of the respondents 47% agreed on the statement that preferential scheduling by partners plays a significant role in improving market share.

Results indicated that majority of the respondents 48.5% agreed on the statement that number of customers acquired plays a significant role in attaining a bigger asset base. Results indicated that majority of the respondents 51.4% agreed on the statement that value and number of transactions plays a significant role in attaining a bigger asset base. Results indicated that majority of the respondents 45.5% agreed on the statement that preferential scheduling by partners plays a significant role in attaining a bigger asset base.

The average mean of all the statements was 3.63 indicating that majority of the respondents agreed on strategic partnerships had an effect on organizational growth. However the variations in the responses were varied as shown by a standard deviation of 1.198. These findings agreed with Howard (2014) that organizations must look toward their strategic partnerships for improvements in growth. The opportunities for cost savings and partnerships improvements can be enormous as the impact on margins and bottom line was considerable.

Table 2: Strategic Partnerships

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Deviation
Number of customers acquired plays a significant role in profitability	4.40%	4.40%	38.20%	27.90%	25.00%	3.65	1.048
Value and number of transactions plays a significant role in profitability	5.90%	2.90%	29.40%	35.30%	26.50%	3.74	1.074
Preferential scheduling by partners plays a significant role in profitability	4.40%	2.90%	23.50%	29.40%	39.70%	3.97	1.079
Number of customers acquired plays a significant role in improving market share	7.40%	2.90%	5.90%	42.60%	41.20%	4.07	1.124
Value and number of transactions plays a significant role in improving market share	2.90%	4.40%	5.90%	52.90%	33.80%	4.1	0.917
Preferential scheduling by partners plays a significant role in improving market share	20.60%	14.70%	17.60%	19.10%	27.90%	3.19	1.509
Number of customers acquired plays a significant role in attaining a bigger asset base	20.60%	11.80%	19.10%	19.10%	29.40%	3.25	1.51
Value and number of transactions plays a significant role in attaining a bigger asset base	5.90%	22.10%	20.60%	17.60%	33.80%	3.51	1.321
Preferential scheduling by partners plays a significant role in attaining a bigger asset base	5.90%	26.50%	22.10%	27.90%	17.60%	3.25	1.202
Average						**3.63**	**1.198**

Customer Experience Management

There was also need to determine the effect of customer experience management on organizational growth. The respondents were asked to comment on extent of customer experience management on organizational growth. Results indicated that majority of the respondents 72% agreed that it was very effective, 18% said that it was effective, while ineffective was at 7% and somehow effective at 3%.

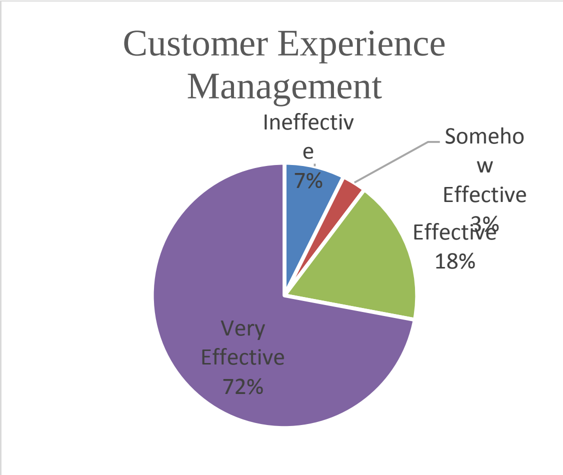

Figure 4: Customer Experience Management

66.1% of the respondents agreed that net promoter score plays a significant role in improving profitability. 66.4% of the respondents expressed agreement on the statement that market satisfaction index plays a significant role in improving profitability. Results indicated that majority of the respondents 54.4% agreed on the statement that peer experience ranking play a significant role in improving profitability.

66.3% of the respondents agreed that net promoter score plays a significant role in improving market share. 66.2% of the respondents expressed agreement on the statement that market satisfaction index plays a significant role in improving market share. Results indicated that majority of the respondents 54.2% agreed on the statement that peer experience ranking play a significant role in improving market share.

Results indicated that majority of the respondents 48.6% agreed on the statement that net promoter score plays a significant role in attaining a bigger asset base. Results indicated that majority of the respondents 82.3% agreed on the statement that market satisfaction index plays a significant role in attaining a bigger asset base. Results indicated that majority of the respondents 86.8% agreed on the statement that peer experience ranking play a significant role in attaining a bigger asset base.

The average mean of all the statements was 3.77 indicating that majority of the respondents agreed on customer experience management having an effect on organizational growth. However the variations in the responses were varied as shown by a standard deviation of 1.134. These findings implied that through customer experience management, companies can improve competitive positioning, gain entry to new dynamic, technology driven markets, supplement critical skills and share the risk (Davila, 2009).

Table 3: Customer Experience Management

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Deviation
Net promoter score plays a significant role in improving profitability	4.40%	4.40%	25.00%	32.40%	33.80%	3.87	1.078
Market satisfaction index plays a significant role in improving profitability	7.40%	1.50%	35.30%	33.80%	22.10%	3.62	1.079
Peer experience ranking play a significant role in improving profitability	2.90%	4.40%	36.80%	30.90%	25.00%	3.71	0.993
Net promoter score plays a significant role in improving market share	7.40%	2.90%	23.50%	27.90%	38.20%	3.87	1.183

Market satisfaction index plays a significant role in improving market share	10.30%	1.50%	22.10%	44.10%	22.10%	3.66	1.154
Peer experience ranking play a significant role in improving market share	5.90%	2.90%	36.80%	29.40%	25.00%	3.65	1.076
Net promoter score plays a significant role in attaining a bigger asset base	19.10%	13.20%	19.10%	16.20%	32.40%	3.29	1.517
Market satisfaction index plays a significant role in attaining a bigger asset base	5.90%	5.90%	5.90%	39.70%	42.60%	4.07	1.124
Peer experience ranking play a significant role in attaining a bigger asset base	4.40%	2.90%	5.90%	39.70%	47.10%	4.22	1.005
Average						**3.77**	**1.134**

Agency Banking

There was also need to evaluate the effect of agency banking on organizational growth. The respondents were also asked to comment on statements regarding agency banking on organizational growth. Results showed that 72% of respondents indicated it was very effective, effective were at 18%, ineffective was 7%, while somehow effective was at 3%.

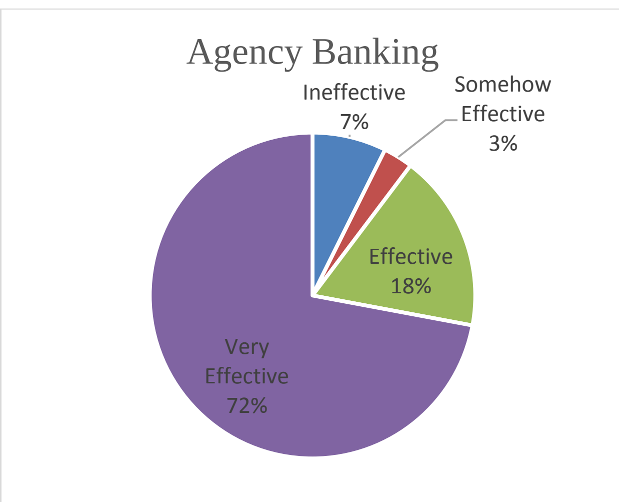

Figure 5: Agency Banking

Results indicated that majority of the respondents 86.7% agreed on the statement that number of transactions by agents plays a significant role in profitability. Further results indicated that 86.8% of the respondents were in agreement that revenue from agencies plays a significant role in profitability. An 83.8% of the respondents agreed that network expansion by agents plays a significant role in profitability.

79.4% of the respondents expressed agreement on the statement that number of transactions by agents plays a significant role in improving market share. Results indicated that majority of the respondents 92.7% agreed on the statement that revenue from agencies plays a significant role in improving market share. Results indicated that majority of the respondents 91.2% agreed on the statement that network expansion by agents plays a significant role in improving market share.

92.6% of the respondents expressed agreement on the statement that number of transactions by agents played a significant role in attaining a bigger asset base. Results indicated that majority of the respondents 89.7% agreed on the statement that revenue from agencies played a significant role in attaining a bigger asset base. Results indicated that majority of the respondents 86.7% agreed on the statement that network expansion by agents plays a significant role in attaining a bigger asset base.

The average mean of all the statements was 4.20 indicating that majority of the respondents agreed agency banking has an effect on organizational growth. However the variations in the responses were varied as shown by a standard deviation of 0.969. The results imply that an banks benefits greatly when agency banking is embraced to expand market share and increasing profits (Croom & Jones, 2010).

Table 4: Agency Banking

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Deviation
Number of transactions by agents plays a significant role in profitability	4.40%	4.40%	4.40%	44.10%	42.60%	4.16	1.016
Revenue from agencies plays a significant role in profitability	4.40%	4.40%	4.40%	36.80%	50.00%	4.24	1.038
Network expansion by agents plays a significant role in profitability	4.40%	1.50%	10.30%	41.20%	42.60%	4.16	0.987
Number of transactions by agents plays a significant role in improving market share	8.80%	4.40%	7.40%	38.20%	41.20%	3.99	1.215
Revenue from agencies plays a significant role in improving market share	2.90%	1.50%	2.90%	41.20%	51.50%	4.37	0.862
Network expansion by agents plays a significant role in improving market share	4.40%	1.50%	2.90%	44.10%	47.10%	4.28	0.944
Number of transactions by agents plays a significant role in attaining a bigger asset base	1.50%	0.00%	5.90%	52.90%	39.70%	4.29	0.714
Revenue from agencies plays a significant role in attaining a bigger asset base	4.40%	2.90%	2.90%	51.50%	38.20%	4.16	0.956
Network expansion by agents plays a significant role in attaining a bigger asset base.	4.40%	2.90%	5.90%	44.10%	42.60%	4.18	0.992
Average						**4.20**	**0.969**

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Correlation Analysis

Table 5: Summary of Pearson's Correlations

		Technology Adoption	Strategic Partnerships	Customer Experience Management	Agency Banking	Organizational Growth
Technology Adoption	Pearson Correlation	1				
	Sig. (2-tailed)					
Strategic Partnerships	Pearson Correlation	.863**	1			
	Sig. (2-tailed)	0				
Customer Experience Management	Pearson Correlation	.904**	.959**	1		
	Sig. (2-tailed)	0	0			
Agency Banking	Pearson Correlation	.890**	.889**	.905**	1	
	Sig. (2-tailed)	0	0	0		
Organizational Growth	Pearson Correlation	.744**	.663**	.721**	.812**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	

** Correlation is Significant at the 0.05 Level (2-Tailed).

Regression Analysis

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.832[a]	.693	.673	.1194

a) Predictors: (Constant), Technology Adoption, Strategic Partnerships, Customer Experience Management, Agency Banking

b) Dependent Variable: Organizational Growth

Table 7: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.03	4	0.508	35.546	.000[b]
	Residual	0.9	63	0.014		
	Total	2.93	67			

a) Predictors: (Constant), Technology Adoption, Strategic Partnerships, Customer Experience Management, Agency Banking

b) Dependent Variable: Organizational Growth

Table 8: Coefficients of Determination

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.197	1.119		1.07	0.028
	Technology Adoption	0.913	0.186	0.895	1.013	0.000
	Strategic Partnerships	0.628	0.268	0.591	0.34	0.002
	Customer Experience Management	0.255	0.329	0.138	0.774	0.004
	Agency Banking	0.245	0.206	0.353	0.193	0.003

a) Predictors: (Constant), Technology Adoption, Strategic Partnerships, Customer Experience Management, Agency Banking

b) Dependent Variable: Organizational Growth

The research used a multiple regression model

$$Y= \beta_0+ \beta_1X_1+\beta_2X_2+\beta_3X_3 +\beta_4X_4 +\varepsilon$$

Where

Y = Organizational Growth

β0 = Constant

X1 = Technology Adoption

X2 = Strategic Partnerships

X3 = Customer Experience Management

X4 = Agency Banking

ε = Error Term

The regression equation is;

$$Y= 1.197 + 0.913X_1 + 0.628X_2 + 0.255X_3 + 0.245X_4$$

The regression equation above has established that taking all factors into account (technology adoption, strategic partnerships, Customer Experience Management, agency banking) constant at zero, organizational growth will be an index of 1.197. The findings presented also showed that taking all other independent variables at zero, a unit increase in Customer Experience Management would lead to a 0.255 increase in organizational growth. The P-value was 0.004 which is less 0.05 and thus the relationship was significant.

The study also found that a unit increase in strategic partnerships would lead to a 0.628 increase in organizational growth. The P-value was 0.002 and thus the relationship was significant. In addition, the study found that a unit increase in agency banking would lead to a 0.245 increase in organizational growth. The P-value was 0.003 and thus the relationship was significant.

Lastly, the study found that a unit increase in technology adoption would led to a 0.913 increase in organizational growth. The P-value was 0.000 and hence the relationship was significant since the p-value was lower than 0.05. The findings of the study showed that, technology adoption contributed most to organizational growth.

CONCLUSION

Based on the study findings, the study concluded that organizational growth can be improved by technology adoption, strategic partnerships, Customer Experience Management, agency banking. First, in regard to technology adoption, the regression coefficients of the study showed that it has a significant effect on organizational growth. This implies that increasing levels of technology adoption by a unit would increase the levels of organizational growth. This shows that technology adoption has a positive effect on organizational growth.

Second in regard to strategic partnerships, the regression coefficients of the study showed that it has a significant effect on organizational growth. This implies that increasing levels of strategic partnerships by a unit would increase the levels of organizational growth. This shows that strategic partnerships have a positive effect on organizational growth.

With regard to Customer Experience Management, the regression coefficients of the study showed that it has a significant effect on organizational growth. This implied that increasing levels of Customer Experience Management by a unit would increase the levels of organizational growth. This shows that Customer Experience Management has a positive effect on organizational growth. Lastly, in regard to the fourth objective, the regression coefficients of the study showed that it has a significant effect on organizational growth. This implies that increasing levels of agency banking by a unit would increase the levels of organizational growth. This shows that agency banking has a positive effect on organizational growth.

Drawing on this research, lack of technology adoption, strategic partnerships, Customer Experience Management and agency banking in banks is leading to slow organizational growth. Though the banks were striving hard to grow there are still issues of poor profitability, small asset bases and small market share. It was articulated that the current phenomenon of slow growth among banks can be reversed if they ensure technology adoption, strategic partnerships, Customer Experience Management and agency banking are embraced in the strategic management function. Thus, it is evident that all the independent variables identified in this study were all important strategic management practices that affected organizational growth.

RECOMMENDATIONS

To ensure that banks have better organizational growth they should focus more on using their technology so as to ascertain their desired growth path and ensure that there is consistency of strategies that ensure continuous growth. With regard to the second objective, it would be constructive for banks to invest more in alliances to reduce the cost of operations through unnecessary reworks and ensure professionals get it right the first time. This should be done consistently with the partnerships, training and capacity building. In relation to Customer Experience Management, the organizations should form strategic Customer Experience Managements with their customers so as to have a more improved customer-bank relationship characterized by mutual satisfaction. If banks embrace Customer Experience Management strategies among its relations then there will be cost reduction and market share will improve. Concerning agency banking, there is need for banks to always set aside a substantial part of their resources for activities that spend a huge amount of total resources, and this entails the setting up of the infrastructure. This is because decisions made here have major effects on agency sustainability measures.

Areas for Further Research

The current study obtained an R^2 of 69.3% and should therefore be expanded further in future in order to include other strategic management practices that may as well have a positive significance to organizational growth. Existing literature indicated that as a future avenue of research, there is need to undertake similar research in other institutions in Kenya and other countries in order to establish whether the explored strategic management practices herein can be generalized to affect organizational growth in other institutions.

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