



**STRATEGIC INTEGRATION LEADERSHIP OF MIDDLE LEVEL MANAGERS AND COMPETITIVENESS OF LISTED COMMERCIAL BANKS IN MOMBASA COUNTY, KENYA**

**Nana Binadamu Mafimbo & Dr. James Gitari, PhD**

**STRATEGIC INTEGRATION LEADERSHIP OF MIDDLE LEVEL MANAGERS AND COMPETITIVENESS OF LISTED COMMERCIAL BANKS IN MOMBASA COUNTY, KENYA**

<sup>1</sup> Nana Binadamu Mafimbo & Dr. James Gitari, PhD

<sup>1</sup> MBA Scholar (Strategic Management), School of Business and Entrepreneurship, Jomo Kenyatta University of Agriculture and Technology, Kenya

<sup>2</sup> Lecturer, Jomo Kenyatta University of Agriculture and Technology, Kenya

**Accepted: May 11, 2024**

**DOI: <http://dx.doi.org/10.61426/sjbcm.v11i2.2960>**

**ABSTRACT**

*Strategic integration leadership of middle level managers plays a crucial role in shaping the competitiveness of listed commercial banks. This study examined the influence of strategic integration leadership by middle level managers on competitiveness of listed commercial banks in Mombasa County, Kenya.. Employing a descriptive research design, the study targeted branch managers, credit managers, customer relationship managers, and operations managers across various banks, gathering data from 85 respondents through structured questionnaires. Analysis using SPSS revealed that strategic integration leadership by middle level managers significantly affect the competitiveness of the banks. Middle managers' role in integrating strategic initiatives across departments ensures coherence and alignment with the bank's long-term goals, significantly boosting the bank's competitive advantage. Consequently, the study recommended that banks should prioritize strategic integration leadership among middle managers. This can be achieved by fostering a culture of collaboration and integration within the organization. These steps are essential for improving the competitive edge and operational efficacy of banks in dynamic financial markets.*

**Key Words:** Strategic Integration Leadership, Commercial Banks competitiveness

**CITATION:** Mafimbo, N. B., & Gitari, J. (2024). Strategic integration leadership of middle level managers and competitiveness of listed commercial banks in Mombasa County, Kenya. *The Strategic Journal of Business & Change Management*, 11 (2), 959 – 969. <http://dx.doi.org/10.61426/sjbcm.v11i2.2960>

## INTRODUCTION

Middle level managers made up 13 percent of the US labor force in 2022, up from 9.2 percent in 1983, according to the study. Their share has continued to grow in recent years, jumping 23 percent between 2005 and 2020. Managerial job postings that required collaborative skills and experience increased by three times between 2007 and 2021. By contrast, job postings that included supervisory capabilities decreased by 23 percent (Zhang, 2022). In the EU, middle level managers comprised 34% of the managerial workforce in 2022 (Ostrom, 2023).

Research on middle managers who work under the scrutiny of political actors in China found that they bridge market and political ideology by conveying common features that seem legitimate to both (Guo, Huy & Xiao, 2017). They also bridge market goals and political actors with personal affect. Compared to top executives and frontline employees, middle managers have unique advantages in performing these bridging functions. Firms can enhance their strategy execution ability by training middle managers in dealing with political actors in diverse contexts.

In Egypt, middle level managers play a very important role in strategy execution. According to Alshaabani (2019), each company in the country has at least one HR manager and another middle level manager. However, there is lack or lag of diffusion of managerial knowledge from top and senior management to the middle management. A challenge to middle management is that they need to communicate and report to top and senior management in the language and style embedded in the scientific definition of management, and then communicate and delegate to their broad base of subordinates in a language and style embedded in the Egyptian culture (Hyatt & Adams, 2017).

In Kenya, middle level managers have been strongly linked with the implementation of strategic change. Middle level management play the role of communicators, interpreters change agents, sense makers, advisors, implementers, bridge and leaders in the implementation of strategic change in DFIs in

Kenya. However, middle level managers may not require playing the role of politicians during implementation of strategic change (Kiptoo, 2023). Kimonyo (2022) also found that middle level managers have a favorable and considerable impact on strategy execution. Also the middle manager's roles of, promoting alternatives, synthesizing data, facilitating flexibility, and implementing deliberate strategy have a favorable influence on implementation of organizational strategy. However, the culture of a firm has a considerable impact on the association amongst middle manager influence and strategy execution. Therefore, firm executives should include middle management in the creation and application of initiatives.

Competitive strategy has recently been described using various theories that base their explanations on firms' capabilities and resources as the major determinants or avenues of gaining competitive advantage. These theories include the resource based view, the game theory and Porter's generic strategies that can be used to analyse firms' competitive environment. Competitive strategy is mainly concerned with how a firm can gain advantage over others while carrying out its business. It is a major determinant of the success of firms and it also determines the appropriateness of a firm's activities that contribute to its superior performance. These activities include innovation, a cohesive culture and proper implementation of the strategies. Competitive advantage aims at establishing a sustainably superior position against the environmental forces that determine industry competition by effective use of available resources and capabilities (Barney, 2007; Capon, 2008; Grant, 2000; Porter, 1998).

Johnson, Scholes and Wittington (2008) have identified three forces that increase the importance of middle management: decentralization of organizational structures; improved business education of middle managers; and the emergence of the knowledge-based organizations. Further, the present orientation requires middle level managers to create relationships across boundaries, champion

innovations, synthesize information, and also facilitate learning to their subordinates (Whittington et al., 2006). It has been established that middle level managers generally associate with the traditional roles as implementers of strategies and a link between the top management and the subordinates staff. Middle managers are crucial drivers of strategic change and they implement new strategies mandated by top management. Besides strategy implementation, these managers are posited to play the role of advocacy, improving operational performance, managing performance, and driving compliance within an organization (Rensburg, Davis & Venter, 2009).

Commercial banks in Kenya date back to 1896 when the predecessor of the current Kenya Commercial Bank, the National Bank of India opened an outlet in Mombasa. Eight years later in 1904, the bank extended its operations to Nairobi. The Kenyan banking sector has undergone tremendous developments since the sector was placed under the supervisory arm of the Central Bank of Kenya in 1966. The number of licensed commercial banks has grown to stand at 44 as at December 31st 2012 (CBK Bank Supervision Annual Report, 2012). During this period, a number of banks entered the market while a number also exited. A large number of those banks that exited the market, mostly in the mid-1980s and mid-1990s, did so due to financial problems, and their exit has been attributed largely to undercapitalization, high non-performing loans, mismanagement, illiquidity and low profitability (Central Bank of Kenya Bank Supervision Annual Report, 2005).

In Kenya, the banking system has been cited as playing a major role in facilitating development and is therefore extremely important engine of economic growth (Kuria, 2013). However, the shifting market shares among the leading banks in the country illustrate the banking sector hyper competitiveness (Gitahi, 2013). This is due to the entry and retaining of the multinational banks in the country such as Eco Bank and United Bank of

Africa (UBA) as well as the rise of indigenous banks such Equity bank and KCB (Nzioka, 2013).

### **Statement of the Problem**

Kenyan banks are teetering on the brink of another crisis triggered by the deteriorating economic environment. Banks and microfinance institutions tapped Sh54.2 billion in loans from the Central Bank of Kenya (CBK) to boost their liquidity positions. Kenyan banks have reduced lending to the Treasury by 40 percent (\$964 million) amid concerns over the government's debt sustainability position. Dozens of small banks have found themselves in a funding squeeze amid a sharp rise in interest rates, which has impacted the cost of money in the interbank market. This has seen tier three banks increasingly turn to the Central Bank of Kenya (CBK) for funding support via instruments including reverse repurchase agreements (reverse repos), term auction deposits and the CBK discount window. According to data from the CBK, funding conditions in the money markets have dried up in recent weeks on rising payments to government/taxes with banks for instance failing to meet their cash reserve requirement ratio (CRR) at 4.25 percent in 2023. Commercial banks' reserves stood at a shortfall of Sh4.7 billion in relation to the CRR requirement last week- marking a third straight week of reduced liquidity in the banking sector/money market. While the overall strategy in repositioning the banks will of necessity come from the top management of the banks, it is the middle management who will be ultimately responsible for translating and executing the strategy at the operational level. That is, the middle level managers are responsible for the operational level success of the banks repositioning strategies. Middle management in banks include assistant managers, branch managers, and regional managers. These managers are responsible for managing the daily operations of the bank and ensuring that it runs smoothly. Operating at the intersection between senior leadership and front-line employees, middle managers are uniquely positioned to translate strategic objectives into operational reality. They

deliver operational excellence by optimizing processes and workflows, and aligning strategy with actions and performance. However, traditionally, middle level managers have always been co-opted into strategy execution without being party to strategy formulation. This means that middle level managers need time to understand the strategy while executing it. This has can be quite disadvantageous as the learning curve can be indeterminate and also end up introducing and propagating errors into the strategy some of which may be very costly for the firm. Previous studies have, however, not examined this aspect in depth, therefore, motivating the need for the present study to examine the influence of strategic integration leadership by middle level managers on competitiveness of listed commercial banks in Mombasa County, Kenya.

### **Objectives of the Study**

To find out the influence of strategic integration leadership by middle level managers on competitiveness of listed commercial banks in Mombasa County, Kenya.

### **Research Hypotheses**

- **H<sub>0</sub>:** Strategic integration leadership by middle level managers does not significantly influence firm competitiveness of listed commercial banks in Mombasa County, Kenya.

## **LITERATURE REVIEW**

### **Theoretical Review**

#### **Game Theory in creating Competitive Advantage**

This theory, also referred to as the zero-sum theory, has been a developing branch of economics in years. It spans games of static and dynamic nature under perfect or imperfect information. This theory is quite useful in analyzing sequential and highly dynamic decisions at the tactical level. It puts much emphasis on the importance of being pro-active or thinking ahead, considering alternatives, and anticipating the reaction of competitors and other

players in the game, which is the industry or competitive environment (Brandenburger & Nalebuff, 1995)

The game theory has been applied in the way firms compete in a particular industry, their relationship, and interactions in situations of cut-throat competition, whereby one firm gains while another one loses within an unchanging total of market share and characteristics. It is based on various assumptions (such as utility) that enhance strategic thinking whereby each party faces a choice among two or more possible strategies (Gibbons, 1992; Brandenburger & Nalebuff, 1995). The choice of strategy depends highly on the information that each party has. This could either be perfect or imperfect information and the strategic actions are simultaneous for the players, in this case competing firms in the same industry. The firms cannot collude into a particular decision since they make choices simultaneously. The zero-sum game involves just two players in which one player can only be made better off by making the other worse off (Brandenburger & Nalebuff, 1995).

The game theory's application areas in competitive strategy are in pricing, research and development, new product introduction, advertising, regulation and in choice of either to undertake licensing or produce. Understanding the game well can enable firms to create a win-win situation to make the firm to be in a better position than other players. Understanding the game well will also make the firm change the rules, players, tactics and scope of the game in the firm's favour. The applicability of the game theory in improving the competitive advantage of firms can be seen in firm's choice of adopting a new technology, and first-mover advantages, as well as cost leadership or pricing of its products and services. However, this theory has not been largely popular but it is applicable to oligopolistic businesses (Brandenburger & Nalebuff, 1995; Prahalad & Hamel, 1990; Murphy, 2005).



## Conceptual Framework

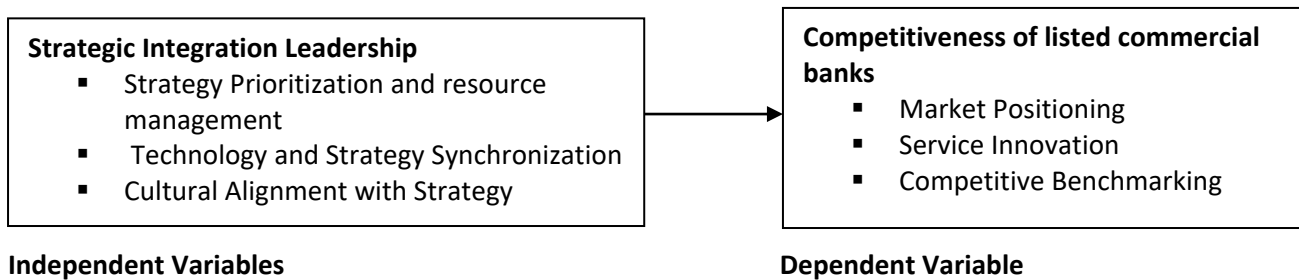


Figure 1: Conceptual Framework

## Empirical Literature

Wambua (2016) sought to determine the effect of global positioning strategies and firm competitiveness at the Bank of Baroda. The study found out that the bank of Baroda has adopted and implemented a number of global positioning strategies in its operations. The study concludes that; positioning by product attribute, positioning against your competitor's product, positioning by use or application, positioning by price-quality relationship, positioning by product user, positioning by product class, and cultural symbol positioning constitute the main global positioning strategies that the bank of Baroda has adopted over the recent past. The study concludes that the adoption of global positioning strategies has had a significant impact on the competitiveness of the Bank of Baroda in the recent past. Given the fact that global positioning strategies positively influence firm competitiveness the study recommends that other firms across the various sectors in Kenya to embrace global positioning strategies in their operations. This study, however, overlooked the strategic role of middle level managers on competitiveness of firms with.

Nwakoby, Ezejiofor and Ajike (2017) sought to establish the effect of SWOT Analysis on performance of manufacturing firms in Nigeria. The study revealed that SWOT analysis has a significant effect on the performance of business organizations in Nigeria and that the use of SWOT analysis will enable an organization in seizing opportunity and avoiding threats existing within the environment. This implied that firm's strengths are related to

their financial resources and the weaknesses are related to the firm's management, with the external environment of a business while strengths and weaknesses are associated with internal environment of the business. Consequently, external analysis examines opportunities and threats that exist in the environment while internal analysis examines strengths and weaknesses within the business with a view of using these to combat the external forces.

Mwangi (2015) investigated the internal and external factors that affect the performance of bancassurance in commercial banks in Kenya. The study revealed some of the strengths of bancassurance to be the growing insurable population and an increase in middle class segment in Kenya; the weaknesses of bancassurance to be an unsupportive Information Technology culture and the poor goodwill of customers towards insurance; the opportunities of bancassurance to be the enormous database on clients and the liberalization of the insurance sector and the threats of bancassurance to be the current thinking and work culture in the banks and a fierce competition from other providers such as brokers. The study also showed that the performance of bancassurance is on its early stages of growth. It found that bancassurance has recently been taken up by most banks most of which have been functioning for only one year. The strengths, weaknesses, opportunities and threats identified will be used in the strategic plan of the banks to improve performance both directly in terms of financial growth and indirectly through efficiency, cost and market structure.

## METHODOLOGY

A descriptive survey research design was used in this study. The study was carried out among 11 listed commercial banks in Kenya with branches in operation. Therefore, the study targeted 108 branch managers, credit managers, customer relationship managers, and operations managers drawn from all the banks. The sampling frame for the purpose of the present study was constructed based on data received from the human resource departments of the 11 commercial banks in Mombasa County. In order to draw a representative sample population from the target population, this study adopted the Krejcie-1970 model generated by Morgan in 1990 that shows sample sizes corresponding to given populations. From this the sample size was

85 respondents. The respondents were then selected using purposive sampling method owing to the requirements for respondent specificity in this study. The data collection instruments used were structured questionnaire for data collection. Kaiser-Meyer-Olkin (KMO) Measures of Sampling Adequacy and Bartlett's Test of Sphericity were then employed to test whether there was a significant relationship between the variables. Cronbach's coefficient Alpha of more than 0.7 was taken as the cutoff value for being acceptable. The researcher used the Statistical Package for Social Scientists (SPSS) version 27 for windows to conduct

initial data analysis using simple descriptive statistical measures such as, mean, standard deviation and variance to give glimpse of the general trend.

## FINDINGS

### Descriptive Analysis Results

#### Strategic Integration Leadership by middle level managers on competitiveness of commercial banks in Mombasa County, Kenya

The objective of the study was to evaluate the influence of Strategic Integration Leadership by middle level managers on competitive strategies on commercial banks in Mombasa County, Kenya. This objective was determined by posing several statements related to Strategic Prioritization and Resource Management, Technology and Strategy Synchronization and Cultural alignment with strategy. A five-point Likert scale was used to rate responses of this variable and it ranged from; 1 = strongly disagree to 5 = strongly agree and was analysed based on the mean score and standard deviation. The closer the mean score on each item was to 5, the more the agreement concerning the statement. A score around 2.5 would indicate uncertainty while scores significantly below 2.5 would suggest disagreement regarding the statement posed. The findings are presented in Table 1:

**Table 1: Strategic Integration Leadership by middle level managers on competitive strategies in banks**

Statement	SA Freq(%)	A Freq(%)	N Freq(%)	D Freq(%)	SD Freq(%)	Mean	Std. Dev.
I lead by example in integrating innovative practices across various departments of bank."	10(13)	31(39)	10(13)	17(22)	11(14)	3.22	0.765
"My leadership ensures that strategic initiatives are aligned with the bank's long-term goals."	20(25)	29(37)	13(16)	9(11)	8(10)	3.62	0.787
"I direct the strategic integration of technology to maintain our competitive edge."	18(23)	25(32)	12(15)	13(16)	11(14)	3.68	0.805
"I actively promote and facilitate cultural adjustments that align with strategic goals."	17(22)	35(44)	8(10)	10(13)	9(11)	3.65	0.741
"I manage resource allocation efficiently to support priority strategic projects effectively."	15(19)	31(39)	14(18)	9(11)	10(13)	3.49	0.735
"My initiatives in technology integration have significantly enhanced operational efficiency."	16(20)	30(38)	11(14)	14(18)	8(10)	3.52	0.838
Aggregate Score						3.53	0.779

The results in Table 1: show that middle managers play a critical role in strategic integration leadership, which influences competitive strategies in banks. Middle managers lead by example in integrating innovative practices across various departments (mean = 3.22, standard deviation = 0.765). This finding aligns with the theoretical framework of Dynamic Capabilities Theory, which posits that the ability to integrate, build, and reconfigure internal and external competencies is vital for maintaining competitiveness. Empirical evidence by Helfat and Peteraf (2003) supports the notion that dynamic capabilities, such as integrating innovative practices, significantly impact organizational performance. Their leadership ensures that strategic initiatives are aligned with the bank's long-term goals (mean = 3.62, standard deviation = 0.787). This is consistent with the findings of Prahalad and Hamel (1990), who argue that strategic alignment with long-term goals is crucial for sustaining competitive advantage. Empirical studies by Andersen and Nielsen (2006) also emphasize the importance of aligning strategic initiatives with organizational goals to achieve superior performance.

Middle managers direct the strategic integration of technology to maintain the bank's competitive edge (mean = 3.68, standard deviation = 0.805). This aligns with the Resource-Based View (RBV), which suggests that integrating technology can create valuable, rare, and inimitable resources that enhance competitive advantage. Empirical research by Bharadwaj (2000) confirms that strategic technology integration is a significant predictor of improved competitive performance.

Additionally, middle managers actively promote and facilitate cultural adjustments that align with strategic goals (mean = 3.65, standard deviation = 0.741). This supports the theory of Organizational Culture as a driver of strategic success, as highlighted by Schein (1990). Empirical evidence from Kotter and Heskett (1992) demonstrates that a

strong alignment between culture and strategy significantly enhances organizational performance.

Middle managers manage resource allocation efficiently to support priority strategic projects effectively (mean = 3.49, standard deviation = 0.735). This finding is in line with the principles of Strategic Resource Allocation, which emphasize the need for efficient allocation of resources to critical strategic initiatives. Empirical studies by Ansoff (1988) support the importance of resource allocation in achieving strategic objectives and maintaining competitiveness.

Moreover, their initiatives in technology integration have significantly enhanced operational efficiency (mean = 3.52, standard deviation = 0.838). This is consistent with empirical research by Melville, Kraemer, and Gurbaxani (2004), which indicates that technology integration leads to significant improvements in operational efficiency and competitive advantage. The aggregate score reveals a mean of 3.53 and a standard deviation of 0.779, indicating a general agreement among respondents with moderate variation in their responses. This analysis underscores the pivotal role of middle managers in leading strategic integration and their significant impact on maintaining and enhancing the bank's competitive strategies.

### **Competitiveness of Commercial Banks in Mombasa County, Kenya**

The study also aimed to evaluate the status of Competitiveness of Commercial Banks in Mombasa County, Kenya. This objective was determined by posing several statements related to; Market positioning, Service innovation, competitive benchmarking and Share growth. A five-point Likert scale was used to rate responses of this variable and it ranged from; 1 = strongly disagree to 5 = strongly agree and was analysed based on the mean score and standard deviation. The closer the mean score on each item was to 5, the more the agreement concerning the statement. A score around 2.5 would indicate uncertainty while scores significantly below 2.5 would suggest disagreement



regarding the statement posed. The findings are presented in Table 2:

**Table 2: Competitiveness of Commercial Banks in Mombasa County, Kenya**

Statement	SA Freq(%)	A Freq(%)	N Freq(%)	D Freq(%)	SD Freq(%)	Mean	Std. Dev.
Strategic management improvements led by middle-level managers have visibly enhanced our market positioning."	9(11)	9(11)	17(20)	38(48)	6(7)	2.68	1.816
"Our bank has successfully launched service innovations that have increased our competitiveness."	8(10)	15(19)	12(16)	28(35)	16(21)	2.3	1.857
"Through competitive benchmarking, we have identified and capitalized on key growth opportunities."	9(11)	15(19)	11(14)	29(37)	15(19)	2.57	1.817
"Our strategic initiatives have significantly contributed to our market share growth over the past year."	14(18)	32(41)	20(24)	9(11)	5(6)	3.77	0.721
"Our strategic positioning in the market has strengthened due to effective management by middle-level managers."	12(14)	26(33)	12(14)	19(23)	10(12)	3.37	0.751
"New services developed under the guidance of middle-level managers have been well received by our customers."	15(19)	24(30)	16(20)	14(18)	10(13)	3.49	0.616
"Our bank's ability to benchmark against competitors has improved our performance in key areas."	10(13)	11(14)	16(20)	25(32)	17(21)	2.83	1.667
"The strategic decisions influenced by middle-level managers have directly led to increased shareholder value."	11(14)	16(20)	14(18)	23(29)	15(19)	2.99	0.739
Aggregate Score						3.094	1.126

The results in Table 2: show the impact of middle-level managers on the competitiveness of commercial banks in Mombasa County, Kenya. Strategic management improvements led by middle-level managers have received mixed feedback, with some respondents agreeing that these improvements have enhanced market positioning (mean = 2.68, standard deviation = 1.816). However, there is significant disagreement, indicating room for improvement in this area.

The introduction of service innovations by the banks has had limited success in increasing competitiveness (mean = 2.3, standard deviation = 1.857), reflecting a need for more effective innovation strategies. Similarly, efforts in competitive benchmarking have not consistently identified and capitalized on key growth opportunities (mean = 2.57, standard deviation = 1.817).

In contrast, strategic initiatives have positively contributed to market share growth over the past year (mean = 3.77, standard deviation = 0.721), and effective management by middle-level managers has strengthened the bank's strategic positioning (mean = 3.37, standard deviation = 0.751). New services developed under the guidance of middle-level managers have been well received by customers (mean = 3.49, standard deviation = 0.616), indicating successful innovation in some areas. Benchmarking performance against competitors has shown improvement, though with significant variability in responses (mean = 2.83, standard deviation = 1.667). Furthermore, strategic decisions influenced by middle-level managers have led to increased shareholder value, albeit with varied opinions (mean = 2.99, standard deviation = 0.739). The aggregate score of 3.094, with a standard deviation of 1.126, suggests a moderate level of agreement on the positive impact of

middle-level managers on the competitiveness of banks, with significant variability in responses. This highlights both areas of strength and opportunities for improvement in leveraging middle-level management for competitive advantage. These findings align with theoretical perspectives on strategic management and competitive advantage. For instance, the Sustainable Competitive Advantage Theory by Porter (1985) emphasizes the importance of unique value-creating strategies that are not easily replicable by competitors, a concept reflected in the banks' mixed success with service innovations and market positioning efforts. Additionally, the Upper Echelons Theory by

Hambrick and Mason (1984) suggests that the cognitive bases and values of managers influence strategic choices, which is evident in the varied effectiveness of strategic initiatives led by middle-level managers

### Correlation Analysis

In this subsection a summary of the Pearson's product moment correlation analyses is presented. It seeks to first determine the degree of interdependence of the independent variables and also show the degree and strength of their association with the dependent variable separately. These results are summarized in Table 3:

**Table 3: Summary of Correlations**

		Strategic Integration Leadership	Competitiveness
Strategic Integration Leadership	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	79	
Competitiveness	Pearson Correlation	.518**	1
	Sig. (2-tailed)	.000	
	N	79	79

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

A strong correlation is observed between strategic integration leadership and competitiveness ( $r = 0.518$ ,  $p = 0.000 \leq 0.05$ ), indicating a strong positive relationship. This underscores the critical role of strategic integration in achieving and sustaining

competitiveness. Empirical studies, such as those by Andersen and Nielsen (2006), have demonstrated that aligning strategic initiatives with long-term goals is crucial for competitive success.

**Table 4: Linear regression results**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	9.01	3.759		2.3969	0.0176
Strategic Integration leadership	0.444	0.084	0.407	5.2857	0.0000

a. Dependent Variable: Competitiveness of Commercial Banks in Mombasa County

The results in Table 4 provide a detailed summary of the linear regression analysis correlation coefficients. The constant (intercept) value is 9.01 ( $t = 2.3969$ ,  $p = 0.0176$ ), indicating the expected

competitiveness score when all independent variables are zero. Strategic integration leadership has the highest standardized coefficient ( $\beta = 0.407$ ,

$p < 0.05$ ), making it the most influential factor in the model.

### Hypothesis Testing

The hypothesis was tested under the null hypothesis and the regression analysis results provide the basis for testing the following hypotheses:

- **H<sub>0</sub>:** Strategic Integration Leadership by Middle-Level Managers Does Not Significantly Influence the Competitiveness of Listed Commercial Banks in Mombasa County, Kenya Regression Coefficient (B): 0.444, t-value: 5.2857 and p-value: 0.0000. Since the p-value (0.0000) is much less than the significance level ( $\alpha = 0.05$ ), therefore the study rejects the null hypothesis (H<sub>0</sub>). This result showed that strategic integration leadership by middle-level managers significantly influences the competitiveness of listed commercial banks in Mombasa County, Kenya.

### SUMMARY

The most influential factor identified was strategic integration leadership by middle-level managers, which showed the highest positive impact on competitiveness ( $\beta = 0.407$ ,  $p < 0.05$ ). This finding indicates that middle managers' ability to integrate strategic initiatives across various departments is crucial for achieving coherence and alignment with the bank's long-term goals, thus significantly enhancing the bank's competitiveness.

Overall, the findings underscore the critical role of middle-level managers in various strategic activities that collectively enhance the competitiveness of commercial banks in Mombasa County, Kenya. These strategic role is strategic integration leadership.

### CONCLUSIONS

Regarding the Influence of Strategic Integration Leadership by Middle-Level Managers on Competitiveness, Strategic integration leadership by middle-level managers is identified as the most influential factor in enhancing competitiveness.

Middle managers' role in integrating strategic initiatives across departments ensures coherence and alignment with the bank's long-term goals, significantly boosting the bank's competitive advantage.

In conclusion, the strategic involvement of middle-level managers in strategic integration leadership enhances the competitiveness of listed commercial banks in Mombasa County, Kenya. Empowering middle-level managers to engage effectively in these strategic roles is crucial for maintaining and improving the competitive position of banks.

### RECOMMENDATIONS

Promote strategic integration leadership. Given its significant impact, banks should prioritize strategic integration leadership among middle managers. This can be achieved by fostering a culture of collaboration and integration within the organization. Middle managers should be provided with the necessary resources and authority to lead cross-departmental initiatives and ensure that strategic objectives are aligned across the organization. Leadership development programs should focus on enhancing the integration skills of middle managers.

Foster a Supportive Organizational Environment. To fully leverage the strategic involvement of middle-level managers, banks should foster an organizational environment that supports innovation, collaboration, and continuous improvement. This includes promoting a culture of open communication, providing access to necessary resources, and recognizing and rewarding strategic contributions by middle managers. Encouraging a supportive and empowering environment will enable middle managers to effectively contribute to the bank's competitive strategies.

### Suggestions for future Studies

The study recommends the following directions for future research:

- Explore Additional Strategic Variables: Future studies should consider exploring

additional strategic variables that may influence the competitiveness of commercial banks. Variables such as technological innovation, customer satisfaction, employee engagement, and regulatory compliance could provide a more comprehensive understanding of the factors contributing to competitive advantage.

- Longitudinal Studies: Conduct longitudinal studies to observe the long-term impact of strategic involvement by middle-level managers on bank competitiveness. This approach can provide insights into how

strategic practices evolve over time and their sustained effects on organizational performance.

- Comparative Studies: Comparative studies between different regions or countries could offer valuable insights into how regional and cultural differences influence the strategic involvement of middle-level managers and bank competitiveness. Comparing banks in Mombasa County with those in other regions of Kenya or internationally could highlight best practices and unique challenges.

## REFERENCES

- Ajibola, K. S. (2019). *Human Resource Management Practices and Employee Engagement in manufacturing firms in Nigeria* (Doctoral dissertation, JKUAT-COHRED).
- Alshaabani, A. (2019). Impact of Personal Characteristics of Human Resources Managers on Implementation of Diversity Management Practices in Egypt. In *Innovation Management, Entrepreneurship and Sustainability (IMES 2019). Proceedings of the 7th International Conference Innovation Management, Entrepreneurship and Sustainability (IMES 2019)* (pp. 17-30). Vysoká škola ekonomická v Praze.
- Andersen, T., & Nielsen, T. (2006). Organizational Structure and Strategy Process: Effective Strategy Formation under Uncertainty, Copenhagen Conference on Strategic Management (CCSM). Copenhagen.
- CBK (2010). Kenya Licences the First Credit Reference Bureau - Credit Reference Bureau Africa Limited (CRB Africa). *Press release* Chipeta, C.
- Guo, Y., Huy, Q. N., & Xiao, Z. (2017). How middle managers manage the political environment to achieve market goals: Insights from China's state-owned enterprises. *Strategic Management Journal*, 38(3), 676-696.
- Hyatt, S., & Adams, A. M. (2017). Strategic Positioning of Middle Managers in the Egyptian Private Sector. *The International Journal of Business & Management*.
- Johnson, G; Melin, L, & Whittington, R. (2008) Micro Strategy and Strategizing: Towards an Activity-Based View. *Journal of Management Studies*, 40(1):3-22
- Kimonyo, T. M. (2022). *Middle Level Managers' Involvement, Organizational Culture and Strategy Execution in Insurance Companies in Kenya* (Doctoral dissertation, United States International University-Africa).
- Kuria, F. (2013). *The effect of capital structure on the financial performance of commercial banks in Kenya*. Nairobi: Unpublished Master's Thesis, University of Nairobi.
- Nielsen, F., & Pedersen, P. (2003). The consequences and limits of empowerment in financial services. *Scandinavian Journal of Management*, 19(1): 63-83.
- Whittington, R; Molloy, E; Mayer, M; Smith, A. (2006) Practices of Strategizing /Organizing. *Long Range Planning*, 39(6): 615-629