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Maureen Njambi Muasya & Dr. Titus Kising'u, PhD

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STRATEGIC CONTROL AND PERFORMANCE OF COMMERCIAL BANKS IN MOMBASA COUNTY, KENYA

[1] Maureen Njambi Muasya & [2] Dr. Titus Kising'u, PhD

[1] Masters Candidate, School of Business and Entrepreneurship, Jomo Kenyatta University of Agriculture & Technology, Kenya

[2] Lecturer, School of Business and Entrepreneurship, Jomo Kenyatta University of Agriculture & Technology, Kenya

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ABSTRACT

The purpose of the study is to investigate the influence of strategic control on organizational performance of commercial banks in Kenya. The study specific objectives are to establish the influence of strategic premise control, strategic surveillance, implementation control and special alert control on organizational performance of commercial banks. The theories anchoring the study are the modern control theory and levers of control theory. The study adopted descriptive survey research design. The target population of the current study was management level staff of tier 1 commercial banks operating in Mombasa County. The study employed stratified random sampling technique. A sample of 64 was chosen by use of Slovins formula. Primary data was collected by use of structured questionnaires. Pilot study was conducted to measure validity and reliability of data collection tools. Data was checked for correctness and analysed quantitatively by use of Statistical Package for Social Science (SPSS) version 25 tool. Descriptive analysis was determined by use of mean and standard deviation while regression analysis was determined by model summary, ANOVA and regression coefficients. Findings were presented in frequency and descriptive tables. The study results revealed that strategic premise control had insignificant effect on performance, however, strategic surveillance, special alert control and implementation control significantly affects organizational performance. The study concludes that the bank effectively communicates and documents planning assumptions, as well as regularly tracks these assumptions within the Corporate Development Plan. The study concludes that strategic surveillance practices significantly affect organizational performance. Also the bank frequently conducts environmental scanning and actively sources business trends in real time from internet sources. There is continuous monitoring of the internal environment to identify potential weaknesses. The researcher recommends that banks should continue strengthening strategic premise control as it significantly impacts organizational performance. To enhance this, it is advised that banks maintain clear communication and thorough documentation of planning assumptions across all relevant departments.

Key Words: *Strategic Premise Control, Strategic Surveillance, Implementation Control, Special Alert Control*

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INTRODUCTION

World over, banking sector is becoming both more strategically focused to respond to consumer expectations while trying to defend market share against an increasing array of competitors (Deloitte, 2018). Global and regional competition intensity has led financial institutions to seek to create or sustain competitive edge by engaging in continuous loop of strategy formulations and implementation (Cahn, Liem, Thu, & Khuong, 2019). Mckinsey (2017) suggested that the global economic recession of 2008 shook businesses because of their inability to see the future; and build organizations that can survive and prosper in any possible future. This is because of environmental turbulence and partly because of lack of strategic control practices. Strategic control practices are counterparts of strategic planning practices that ensure that organizational performance is as close to the intended outcomes as practically possible (Diar, Senaji, & Mwambia, 2017).

Strategic control is the process used by firms to control the formation and execution of strategic plans. Well formulated and implemented strategies are critical to firm's performance. To match formulation and implementation, strategic control is required (Trigeogis, 2017 and Grant, 2017). Strategic control is a specialized form of management control which differs from other forms of management control in respect of its need to handle uncertainty and ambiguity at various points in the control process (Wheelen & Hunger, 2016). Past and recent research studies have made it clear that there is an increased internal and external uncertainty due to emerging opportunities and threats, lack of awareness of needs and of the facilities related issues and environment and lack of direction. Many organizations spend most of their time realizing and reacting to unexpected changes and problems instead of anticipating and preparing for them (Johnson & Scholes, 2017).

In the United States of America, Ideabank and ING, have designed strategies to extend into banking adjacencies by providing services like accounts-receivable management, factoring, accounting, and cash-flow analysis to small and medium enterprise customers. The fintech start-up Moven built a pioneering mobile money-management app and is now partnering with financial institutions to provide this service to retail customers. In Italy, Post Bank, became the largest provider of mobile phone services in the country. Extending beyond the core can enable banks to form a network of value across industries and create their own "ecosystems" that provide the services customers want at lower cost and with greater convenience (Johnson & Scholes, 2017).

The advent of COVID 19 has given rise to deferred loan payments as banks restructure a sizeable portion of their loan books, increased provisioning on the expected rise in non-performing loans (NPLs) and subdued Non-Funded Income on the back of zero-rated payment services (adversely impacting fees and commissions). For instance, KCB bank is embarking on its 2020-2022 Strategy dubbed "Beyond Banking" whereby the common theme will center on digital innovations across its subsidiaries (Kenya Banking Report, 2021).

The number of commercial banks in Kenya has reduced to 38 in 2020, compared to 43 banks 5-years ago. The ratio of the number of banks per 10 million population in Kenya now stands at 7.1x, which is a reduction from 9.0x 5-years ago, demonstrating continued consolidation of the banking sector. However, despite the ratio improving, Kenya still remains overbanked as the number of banks remains relatively high compared to the population (Nairobi Business Monthly, 2020). For the commercial banks to survive is such a competitive environment it needs to design competitive strategies and implement them effectively.

Statement of the Problem

Putting strategic control in place is critical to a successful strategy implementation. Without proper controls, your strategy won't have the gut checks required to ensure it remains relevant, on track, and performing at or above standards

(Wanjohi, 2022). In Kenya the emergency of COVID 19 has taken a toll on the commercial banks by exerting severe pressure on banks' performance (Deloitte, 2023). However, despite these innovations the growth of commercial banks has continued to shrink. Core Earnings per Share recorded a weighted decline of 32.4% in Q3'2021, compared to a weighted growth of 8.7% recorded in Q3'2022 (Nairobi Business Monthly, 2023). As reported by most of the banks, the decline in the earnings was mainly attributable to the increased provisioning levels, as they covered for downgraded facilities, with the expectations of an increase in defaults across sectors on the back of the Covid-19 pandemic. Asset quality for listed banks deteriorated in Q3'2022, with the gross NPL ratio rising by 2.6% points to 12.4% from 9.8% in Q3'2021, and higher than the 5-year average of 8.5% (Nairobi Business Monthly, 2023).

Various studies have been undertaken on the strategic control and performance. Lin, Chen and Lin (2018) investigated the impacts of strategic control and operational control on new venture performance in the China context and the results of this study show that: strategic control has a significantly negative relationship with new venture performance. Lubanga (2018) did a study on the effect of strategic control processes on non-financial performance of Nairobi Hospital and revealed a positive significant relationship. Odhiambo (2017) investigated influence of strategy control on organizational performance of Hotels in Kisumu County and established a strong correlation between strategy control and performance. Kariuki (2020) did a study on the effect of strategic planning dimensions on performance of commercial banks in Kenya. Gaturu (2017) did an investigation on strategic control influence in the context of Mission hospitals performance in Kenya and found a positive relationship. However, despite various studies having been carried out on strategic control, there is dearth of empirical research in the realm of strategic control in the banking sector post Covid - 19 pandemic. The current study sought to determine strategic control and its influence on organizational performance of commercial banks in Kenya.

Research Objectives

The general objective of the study is to investigate the influence of strategic control on organizational performance of commercial banks in Kenya. The study was guided by the following specific objectives:

- To establish the influence of strategic premises control on organizational performance of commercial banks in Kenya
- To determine the influence of strategic surveillance on organizational performance of commercial banks in Kenya
- To examine the influence of implementation control on organizational performance of commercial banks in Kenya
- To establish the influence of special alert control on organizational performance of commercial banks in Kenya

Research Hypotheses

H_{01}: Strategic premise control has no significant influence on organizational performance of commercial banks in Kenya

H_{02}: Strategic surveillance has no significant influence on organizational performance of commercial banks in Kenya

H_{03}: Implementation control has no significant influence on organizational performance of commercial banks in Kenya

H_{04}: Special alert control has no significant influence on organizational performance of commercial banks in Kenya

LITERATURE REVIEW

Modern Control Theory

Modern control theory as it applies to real-world situations explain that people seek feedback and then set goals based on that feedback. Control theory anchors on this study as it explains that there're should processes and outcomes should

confirm intentions. In strategy control, strategy implementation is evaluated against plans. Control theory helps in performance management by evaluating the output of the system for its consistency with pre-defined sets of parameters (Chetty, 2018). In case of any kind of deviation, it will be adjusted by the controller in the system. This model is popularly known as the Cybernetic model (Barrows & Neely, 2016). This model helps the managers to control the performance of the employees. Similarly, it also generates faster and better outputs through regular monitoring and feedback. The cybernetic model states that, if an organization can execute control and performance more effectively and efficiently, it can easily cope with the changes in its external environment. The theory supports strategic premise control variable in the study.

Levers of Control Theory

The Levers of Control theory was propounded by Robert Simons in 1995. The framework theorizes the relationship between control systems and the formulation and implementation of business strategy. Change in organizations will require adjustment of strategy or new strategies whether the change is transformational or incremental in nature. Ojera (2016) posits that strategic control is still at its embryonic stage and that organizations that are beset by environmental turbulence can indeed benefit from strategic control practices. Levers of control theory include systems that control human behaviour within an organization. Robert Simons developed a four-lever model of strategic control. The four levers work simultaneously, each for a different purpose. The four levers are important and need to be monitored. The levers work independently but create harmony for business conduct.

Contingency Theory

The contingency theory was proposed by the Austrian psychologist Fred Edward Fiedler in in 1964. A contingency theory argues that there is no best way to organize a corporation, to lead a company, or to make decisions. Instead, the optimal course of action is contingent (dependent) upon the internal and external situation. Contingent leaders are flexible in choosing and adapting to succinct strategies to suit change in situation at a particular period in time in the running of the organization. A contingency approach to management is based on the theory that management effectiveness is contingent, or dependent, upon the interplay between the application of management behaviors and specific situations.

Research in Schoonhoven in 1981 relates that contingency theory relies on few assumptions that have been explicitly stated: the first explicit assumption is that there is no one best way to organize, and the second is that all ways of organizing are not equally effective under all conditions. In the case of strategic control, contingency theory states that the design and use of control systems is dependent upon the context of the organizational setting. A better match between the control system to the contingency variable is hypothesized to result in increased organizational performance. The theory supports organizational performance variable in the study.

Conceptual Framework

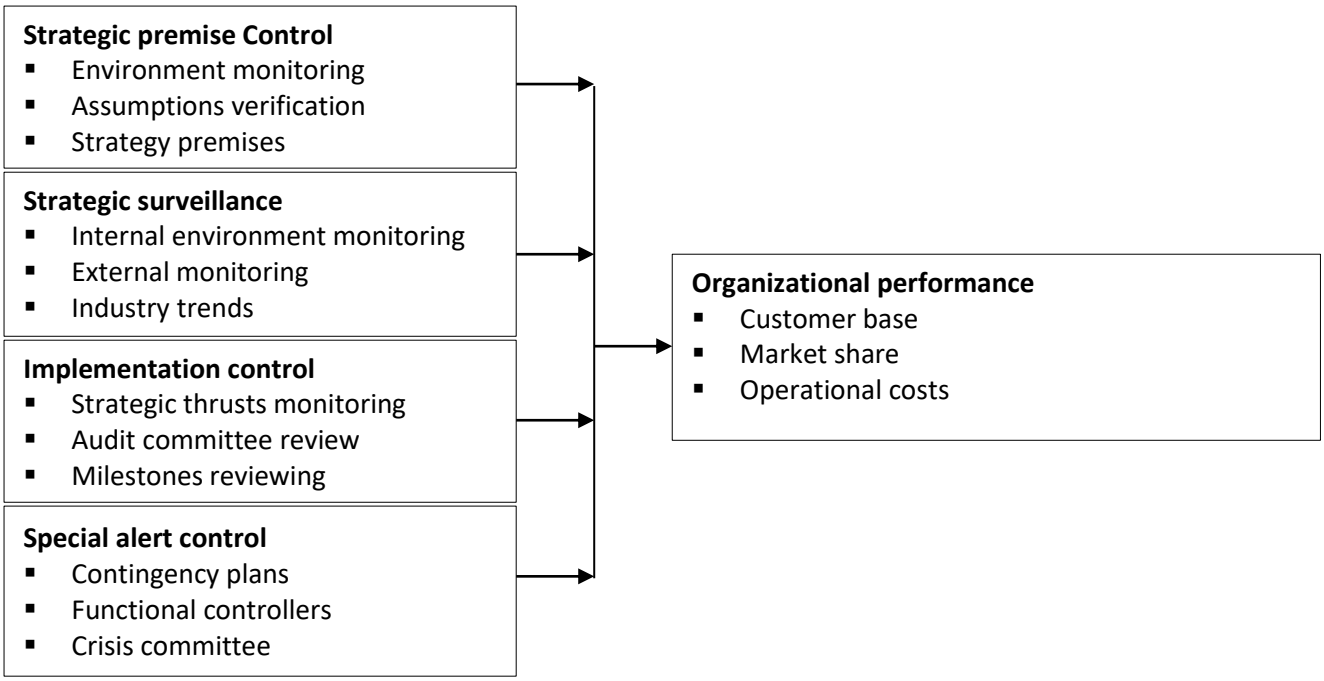

Figure 1: Conceptual Framework

Strategic Premise Control

Every organization creates a strategy based on certain assumptions, or premises. As such, premise control is designed to continually and systematically verify whether those assumptions, which are foundational to your strategy, are still true (Goodman & Dingli, 2017). These are typically environmental (e.g. economic or political shifts) or industry-specific (e.g. new competitors) variables. A strategy is based on an assumption of how certain events will take place in the future. Premise control allows us to examine whether or not that assumption holds true after the strategy has been implemented and adapt to changes accordingly. Environmental factors like inflation, interest rates, or industry factors like competition or supply affect this type of strategic control.

Premise control is designed to systematically and continuously check that the premises set during strategic planning are still valid. If a vital premise is violated, the organizational strategy should be changed. This is the continuous or systematic investigation process of the management for determining if the decision on the strategy to be used is still effective or not (Pratistha, 2017). Premise control needs a continuous process on monitoring the environment relating to the external environment of business, industrial and social environment with consideration to the anticipated legislation, inflation, as well as shifts in competition.

Strategic Surveillance

Strategic surveillance is a broader information scan. Its purpose is to identify overlooked factors both inside and outside the company that might impact your strategy. This process ideally covers any "ground" that might be missed by the more focused tactics of premise and implementation control (Goodman & Dingli, 2017). Strategic surveillance monitors a broad range of changes taking place in the internal and external environments of the organization; that are likely to threaten the course of an organization's strategy.

Strategic surveillance is fashioned for monitoring the different events in and out of the entity which have a likeliness of affecting the strategy. A strategic surveillance is supervisory control of the

process of strategy execution, that is a way of systematic scanning of environment of the business (Pratistha, 2017). The essence for execution of a quite extensive strategic surveillance is going to enhance the capacity of recognizing the problems of asymmetric.

Implementation Control

Strategies implementation happens as a pattern of steps, the movement, investment and program along a prolonged time. Distinctive programs conducted. Functional parts begin activities relating to strategy (Pratistha, 2017). Major staff plus or recast, counting resources mobilization. Conversely, leaders execute all-inclusive strategies for translating a plan into action, outcomes and further measures of certain individuals and units. Implementation control was fashioned towards assessing if the whole strategy is supposed to be changed considering the outcomes that relate to extra measures within the general strategy (Gjorgjieska, Kume & Shahini, 2017).

The implementation period is riddled with evolution and changes. Managers must know the different types of strategic control to prevent strategies from going awry and yielding undesired outcomes. Implementation control checks if the overall strategy should be changed considering unfolding events associated with implementation of the overall strategy. This type of control is a step-by-step assessment of implementation activities. It focuses on the incremental actions and phases of strategic implementation, and monitors events and results as they unfold. It assesses implementation activities, events, and results step-by-step and ensures that no changes are needed.

Special Alert Control

Special alert control is a position where the firms' basic strategy can be changed rapidly based on a sudden unexpected event in both environments. An organizational strategy requires contingency plans in place for such eventualities or circumstances. Special alert control allows assessing a business in particular circumstances such as natural disasters or a market crash. This type of strategic control helps us analyze a strategy under new circumstances and handle them with appropriate tools, procedures and priorities (Goodman & Dingli, 2017).

When something unexpected happens, a special alert control is mobilized. This is a reactive process, designed to execute a fast and thorough strategy assessment in the wake of an extreme event that impacts an organization. The event could be anything from a natural disaster or product recall to a competitor acquisition (Gjorgjieska, Kume & Shahini, 2018). In some cases, a special alert control calls for the formation of a crisis team—usually comprising members of the strategic planning and leadership teams—and in others, it merely means activating a predetermined contingency plan.

Organizational Performance

Organizational performance is determined by the firm's strength in achieving its aims effectively and efficiently with the consideration of constraints that the limited resources imposed (Lebans & Euske, 2017). Organizational performance comprises the actual output or results of an organization a measured against its intended outputs or goals and objectives. According to Richard *et al*. (2017), organizational performance encompasses three specific areas of firm outcomes which includes; financial performance, profits, return on assets, return on investment, product market performance and shareholder return total shareholder return, economic value added.

In recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as; financial performance for example shareholder return, customer service, social responsibility for example corporate citizenship, community outreach and employee stewardship. Every organization is committed towards good performance of the firm and therefore the strategy of any organization should support organization performance. As an open system, an organization interacts with the environment in exchange of goods and services to

create value. The inputs and value creation are measured in monetary terms and evaluated against preset standards. An organization should therefore select the right measurement tools that can effectively measure its performance and focus on meeting shareholders aim of profit maximization (Aguilar, 2017).

METHODOLOGY

This study adopted cross-sectional research design. According to CBK bank supervisory report (2024) there are 44 registered main banking institutions in Kenya. However, the target population of the current study was tier 1 commercial banks with operational presence in Mombasa County. The unit of observation was branch managers, operations managers, credit and risk managers drawn from all tier one commercial banks operating in Mombasa County. Sampling frame for this study comprised of tier 1 commercial banks with operational presence in Mombasa County.

The study adopted the Slovin's formula to calculate the sample proportion as follows:

$$n=\frac{N}{1+N(\alpha)^2} \quad =\frac{101}{1+101(0.05)^2} = 70$$

Where;

n = the size of sample,

N = the population size and

e = is the allowed margin of error (0.05)

Multi-stage sampling techniques was used in the study. Stratified random sampling technique was used to stratify the sample.

Structured questionnaires were used to collect data. Eighteen respondents were selected randomly to pilot test data collection tools. The choice of 18 participants is echoed by Riel (2010) who asserts that for pilot testing, 10% of the population can be used sufficiently. The pilot study findings did not form part of the final results.

In this case, the questionnaire items were related to the research questions as they are constructed. Research supervisor evaluated the face and content validity of the items in the questionnaire. The researcher used the most common internal consistency measure known as Cronbach's Alpha (α) to test for reliability. The threshold for testing instruments' reliability was set to 0.70 Crobach's Alpha.

The collected data was first checked for completeness and accuracy then coded before being statistically analyzed then coded and analyzed using the Statistical Package for Social Sciences (SPSS) version 25 as a data analysis tool. In this study, both descriptive and inferential data analysis techniques were used. Descriptive statistics was used as a measure of central tendencies and measures of dispersion (mean and standard deviation). Regression analysis was conducted to test whether the strength of the relationship between the independent variables and the dependent variable are statistically significant.

DATA ANALYSIS AND INTERPRETATION

Response Rate

The unit of observation was branch managers, operations managers, credit and risk managers drawn from all tier one commercial banks operating in Mombasa County. The response rate is presented in Table 1.

Table 1: Response Rate

Respondents	Frequency	Percentage
Respondents	67	95.7%
Non-respondents	03	4.3%
Total	**70**	**100%**

Sixty-seven questionnaires were filled and returned which indicated a response rate of 95.7%. This response rate was good and representative and corresponds to Creswell (2014) stipulation that a response rate of 70 percent and above is adequate for analysis and reporting.

Descriptive Analysis

This study carried out the following descriptive statistics; mean, standard deviation of all the study variables.

Strategic Premise Control

The first objective of the study was to establish the extent to which strategic premise control affect performance. They were required to do this on a 5 point Likert scale where 1 represented Strongly disagree while 5 represented Strongly agree. The respondents were required to indicate the extent of strategic premise control. The results are displayed in Table 2.

Table 2: Strategic Premise Control

	N	Mean	Std. Deviation
My bank considers environmental and industry factors when formulating strategies	67	4.60	.579
My bank communicates and documents planning assumptions	67	4.52	.725
The bank tracks assumptions in CDP regularly	67	4.55	.803
The bank has a process of monthly reforecasting and risk and opportunities analysis in the management cycle	67	4.52	.636
Valid N (listwise)	67		

From the table, it can be observed that respondents strongly agreed that their banks consider environmental and industry factors when formulating strategies, as indicated by a mean of 4.60 and a standard deviation of 0.579. This low standard deviation reflects a high level of agreement on this practice. Similarly, respondents agreed that planning assumptions are communicated and documented within their banks, as shown by a mean of 4.52 and a standard deviation of 0.725. While there is some variability in responses, the overall consensus remains strong.

The tracking of assumptions within the Corporate Data Platform (CDP) was also acknowledged by respondents, with a mean of 4.55 and a standard deviation of 0.803. This slightly higher standard deviation suggests moderate differences in how this practice is implemented across banks. Furthermore, respondents agreed that their banks engage in monthly reforecasting and risk and opportunities analysis as part of the management cycle, evidenced by a mean of 4.52 and a standard deviation of 0.636, reflecting a relatively consistent application of this practice. The findings agree with Gichana (2022) whose study on strategic control techniques and organizational performance showed that premise control has a significant effect on organizational performance of Savings and Credit Cooperatives in Kisii County.

Strategic Surveillance

The second objective of the study sought to establish the effect of strategic surveillance on performance. Data was collected through the Likert-scale measuring the level of agreement of the respondents with respect to the given aspects of strategic surveillance. The results are as presented in Table 3.

Table 3: Strategic Surveillance

	N	Mean	Std. Deviation
My bank carries out environmental scanning frequently	67	4.30	.853
Business trends are sourced from internet sources in real time	67	4.40	.698
External environment monitoring is done through business intelligence e.g. sales staff	67	4.49	.683
Internal environment is continuously monitored to check for any weaknesses	67	4.46	.682
Valid N (listwise)	67		

From the table, it can be observed that respondents agreed that their banks frequently carry out environmental scanning, as indicated by a mean of 4.30 and a standard deviation of 0.853. The higher standard deviation suggests some variability in the frequency of this practice across banks. Respondents also agreed that business trends are sourced from internet sources in real time, with a mean of 4.40 and a standard deviation of 0.698. This relatively low standard deviation reflects consistency in this practice among respondents.

Furthermore, respondents strongly agreed that external environment monitoring is conducted through business intelligence (e.g., insights from sales staff), as shown by a mean of 4.49 and a standard deviation of 0.683. The low standard deviation indicates a high level of agreement regarding the use of business intelligence. Lastly, respondents agreed that their banks continuously monitor the internal environment for weaknesses, as indicated by a mean of 4.46 and a standard deviation of 0.682. The low standard deviation reflects strong consensus on this internal monitoring practice.

Implementation Control

The third objective of the study sought to determine the effect of implementation control on performance. The results are presented in Table 4.

Table 4: Implementation Control

	N	Mean	Std. Deviation
The bank incorporates costs in the planning process	67	4.49	.704
The bank considers key success factors and incorporates then in the planning phase	67	4.52	.725
The bank's audit committee convenes to review strategic thrusts progress	67	4.60	.780
The audit committee monitors strategic thrusts frequently	67	4.55	.784
Valid N (listwise)	67		

From the table, it can be observed that respondents agreed that their banks incorporate costs in the planning process, with a mean of 4.49 and a standard deviation of 0.704. This relatively low standard deviation suggests consistent application of cost considerations in planning. Respondents also agreed that key success factors are considered and incorporated during the planning phase, as indicated by a mean of 4.52 and a standard deviation of 0.725. The slightly higher standard deviation reflects some variability; though overall consensus remains strong.

Additionally, respondents strongly agreed that the bank's audit committee convenes to review the progress of strategic thrusts, with a high mean of 4.60 and a standard deviation of 0.780. This demonstrates a shared commitment to strategic oversight, albeit with some variability in frequency or approach. Lastly, respondents agreed that the audit committee frequently monitors strategic thrusts, as reflected by a mean of 4.55 and a standard deviation of 0.784. This high mean and relatively consistent standard deviation indicate strong agreement on the importance of regular monitoring in strategic management.

Special Alert Control

The fourth objective sought to investigate the effect of special alert control on performance. The results are on means and standard deviation presenting the level of agreement of the respondents on the given aspects of special alert control. The results are as presented in Table 5.

Table 5: Special Alert Control

	N	Mean	Std. Deviation
My bank checks and anticipates eventual externalities	67	4.54	.611
The bank has in place contingency plans in case strategy implementation goes wrong	67	4.55	.702
The bank has crisis committee to evaluate risks associated with unexpected events	67	4.67	.587
The bank has functional controllers in the control department comprising of finance managers	67	4.57	.743
Valid N (listwise)	67		

From the table, it can be observed that respondents agreed that their banks check and anticipate potential externalities, as shown by a mean of 4.54 and a standard deviation of 0.611. The low standard deviation indicates strong alignment among respondents on this proactive approach. Similarly, respondents agreed that their banks have contingency plans in place in case strategy implementation encounters issues, with a mean of 4.55 and a standard deviation of 0.702. This relatively low standard deviation reflects general consistency in the adoption of contingency planning.

Respondents also strongly agreed that their banks have a crisis committee dedicated to evaluating risks associated with unexpected events, as evidenced by a high mean of 4.67 and a standard deviation of 0.587. The very low standard deviation suggests broad agreement on this risk management practice. Lastly, respondents agreed that their banks employ functional controllers within the control department, including finance managers, with a mean of 4.57 and a standard deviation of 0.743. This slightly higher standard deviation indicates some variability, though overall alignment on the role of functional controllers in strategic oversight.

Organizational Performance

The respondents were required to indicate the extent of organizational performance. They were required to do this on a 5 point Likert scale where 1 represented Strongly disagree while 5 represented Strongly agree. The results are displayed in Table 6.

Table 6: Organizational Performance

	N	Mean	Std. Deviation
The bank's customer base has increased over the last five years	67	4.48	.704
The market share of the bank has expanded over the last five years	67	4.51	.746
The bank has recorded increase in growth over the last five years	67	4.63	.648
Valid N (listwise)	67		

From the table, it can be observed that respondents agreed that their bank's customer base has increased over the last five years, as indicated by a mean of 4.48 and a standard deviation of 0.704. This moderate standard deviation suggests a consistent experience of customer base growth across banks. Respondents also agreed that their bank's market share has expanded over the last five years, with a mean of 4.51 and a standard deviation of 0.746. The relatively low standard deviation indicates broad alignment on market share growth, with some minor variations.

Furthermore, respondents strongly agreed that their bank has experienced an increase in overall growth over the last five years, as shown by a high mean of 4.63 and a standard deviation of 0.648. The low standard deviation reflects a high level of consensus regarding positive growth trends in the banking sector.

Correlation Analysis

The researcher aimed to determine the bivariate association between the variables—that is, the strategic control and organizational performance. This case's major finding was the Pearson correlation. Sekaran and Bougie (2010) state that the bivariate link between the variables' strength, direction, and significance may be determined by Pearson correlation analysis. Table 7 presents the results.

Table 7: Correlation Coefficient

		SPC	SC	IC	SAC	Perf
Strategic premise control	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	102				
Strategic surveillance	Pearson Correlation	.679**	1			
	Sig. (2-tailed)	.000				
	N	102	102			
Implementation control	Pearson Correlation	.605**	.716**	1		
	Sig. (2-tailed)	.000	.000			
	N	102	102	102		
Special alert control	Pearson Correlation	.609**	.499**	.518**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	102	102	102	102	
Performance	Pearson Correlation	.579**	.550**	.493**	.586	1
	Sig. (2-tailed)	.094	.000	.039	.019	

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

Correlation results indicate an insignificant and positive relationship between strategic premise control and performance ($r = 0.579$, $p < 0.05$) as well as a significant and positive relationship

between strategic surveillance and performance (r = 0.550, p < 0.01). However, implementation control is less significantly associated with Performance (r = 0.493, p < 0.05). The results reveal that improvement in performance is largely due to strategic premise control and strategic surveillance, while implementation control has a slightly weaker influence on performance. A significant positive relationship between special alert control and performance (r = 0.586, p < 0.05) also exists, indicating that special alert control positively impacts performance.

Regression Analysis

The study carried out regression analysis to test the significance of the model and the degree of variables relationship. The regression model was run on a margin sampling error of 5% and confidence level of 95%.

Table 8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.723[a]	.523	.492	.459

a. Predictors: (Constant), Implementation control, Strategic surveillance, Special alert control, Strategic premise control

The model summary results indicate a moderate regression between strategic controls and performance. In this model summary, the R^2 value of 0.523 suggests that the independent variables (Implementation Control, Strategic Surveillance, Special Alert Control, and Strategic Premise Control) explain 52.3% of the variation in performance, while the remaining 47.7% is attributable to other factors not included in this study. The adjusted R^2 value of 0.492 reflects a slight adjustment for the number of predictors, showing that these strategic controls still account for a substantial portion of the variance in performance.

Table 9: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.278	4	3.570	16.965	.000[b]
	Residual	13.045	62	.210		
	Total	27.323	66			

a. Dependent Variable: Organizational performance

b. Predictors: (Constant), Implementation control, Strategic surveillance, Special alert control, Strategic premise control

From the ANOVA results in Table 9, it was established that the significance value in testing the significance of the model was obtained as 0.000 which is less than 0.05, the critical value at 95% significance level. Therefore, the model is statistically significant in predicting the relationship between the study variables.

Table 10: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.208	.524		2.308	.024
	Strategic premise control	.431	.248	.364	1.738	.087
	Strategic surveillance	.602	.159	.595	3.774	.000
	Special alert control	.030	.141	.028	.215	.831
	Implementation control	.550	.192	.525	2.857	.006

a. Dependent Variable: Organizational performance

$Y= 1.208 + 0.431X_1 + 0.602X_2 + 0.030X_3 + 0.550X_4$

From the coefficients table all the four independent variables are significant in predicting the value of Y. Further, the regression results showed that a unit change in strategic premise control would lead to 0.431 unit change in performance. A unit change in strategic surveillance would lead to 0.602 unit change in performance. Further, a unit change in special alert control would lead to 0.030 change in performance and finally, a unit change in implementation control would lead to 0.550 unit change in performance. However, strategic surveillance (β = 0.602, p < .005) has a highly significant effect on the performance.

Discussion of Major Findings

Regression analysis provided a basis for evaluating the effect of each strategic control construct on organizational performance, as shown by the coefficients and p-values.

The first objective of the study sought to examine the effect of strategic premise control on organizational performance. Regression analysis indicated a positive yet non-significant effect, with a coefficient β1=0.431, p=0.087. This suggests that an increase in strategic premise control by one unit would lead to an increase in performance by 0.431 units, but this effect is not statistically significant at the 0.05 level. Therefore, the null hypothesis that strategic premise control has no significant effect on performance cannot be rejected. The findings are inconsistent with Gichana (2022) whose study on strategic control techniques and organizational performance showed that premise control has a significant effect on organizational performance of Savings and Credit Cooperatives in Kisii County.

The second objective of the study examined the effect of strategic surveillance on performance. Regression analysis revealed a positively significant effect, with β2=0.602, p=0.001. This result suggests that a one-unit increase in strategic surveillance would increase performance by 0.602 units. Given that the p-value is less than 0.05, the null hypothesis that strategic surveillance has no significant effect on performance is rejected.

The third objective of the study evaluated the effect of special alert control on performance. Regression analysis indicated a non-significant effect, with a coefficient β3=0.030, p=0.831. This implies that an increase in special alert control has minimal effect on performance, and given the high p-value, the null hypothesis that special alert control has no significant effect on performance is not rejected.

Finally, the study investigated the effect of implementation control on organizational performance. Regression analysis showed a positively significant effect, with β4=0.550, p=0.006. This suggests that a one-unit increase in implementation control would increase performance by 0.550 units. Since the p-value is less than 0.05, the null hypothesis that implementation control has no significant effect on performance is rejected.

CONCLUSIONS AND RECOMMENDATIONS

The study concludes that strategic premise control significantly affects organizational performance. It is concluded that the bank effectively communicates and documents planning assumptions, as well as regularly tracks these assumptions within the Corporate Development Plan (CDP). Furthermore, the existence of a structured process for monthly reforecasting and risk and opportunities analysis indicates a robust integration of strategic planning and risk management practices within the bank's operations.

The study concludes that strategic surveillance practices significantly affect organizational performance. Also the bank frequently conducts environmental scanning and actively sources business trends in real time from internet sources. Furthermore, the monitoring of the external environment through business intelligence tools, including insights from sales staff, is affirmed. There is continuous monitoring of the internal environment to identify potential weaknesses. This comprehensive surveillance strategy enables the bank to remain informed and responsive to both external and internal factors that could impact its operational effectiveness.

The study concludes that special alert control has a significant effect on organizational performance. It is concluded that the bank actively monitors and anticipates potential externalities, alongside the establishment of contingency plans to mitigate risks associated with possible failures in strategy implementation. Additionally, the presence of a crisis committee dedicated to evaluating risks linked to unexpected events, coupled with the functionality of controllers within the control department—including finance managers—underscores the bank's commitment to risk management.

The study concludes that implementation control significantly affect organizational performance. The bank effectively incorporates costs into the planning process and considers key success factors during this phase. Furthermore, the regular convening of the bank's audit committee to review the progress of strategic initiatives and its frequent monitoring of these strategic thrusts illustrate a robust commitment to integrating financial considerations and ensuring ongoing oversight in strategic planning and execution.

The researcher recommends that banks should continue strengthening strategic premise control as it significantly impacts organizational performance. To enhance this, it is advised that banks maintain clear communication and thorough documentation of planning assumptions across all relevant departments. This will ensure that strategic goals and assumptions are fully aligned throughout the organization. Additionally, banks should uphold regular tracking of these planning assumptions within the Corporate Development Plan (CDP), as this practice supports continuous alignment with market and organizational changes. It is recommended that the process of monthly reforecasting and analysis of risks and opportunities be consistently supported by resources and updated tools.

The researcher recommends that banks should continue to enhance strategic surveillance practices, given their significant effect on organizational performance. To support this, banks are encouraged to prioritize frequent environmental scanning as a key practice to identify emerging market and environmental changes. Furthermore, real-time sourcing of business trends from internet sources should be maintained and expanded where possible, to ensure timely insights and responsiveness to market shifts. Additionally, banks should leverage business intelligence tools, including insights from sales staff and other front-line employees, to strengthen the monitoring of the external environment.

The researcher recommends that banks should continue to prioritize special alert control practices, given their significant impact on organizational performance. To enhance these practices, it is advised that banks maintain and further develop their monitoring systems to proactively identify and

anticipate potential externalities that could affect operations. Moreover, banks should ensure that robust contingency plans are established and regularly updated to mitigate risks associated with potential failures in strategy implementation. This proactive approach will enable the organization to respond effectively to unforeseen challenges. Additionally, it is recommended that the crisis committee play an active role in regularly evaluating risks linked to unexpected events. This can be achieved by conducting routine risk assessments and simulations to prepare for various scenarios that may arise. Lastly, the functionality of controllers within the control department, including finance managers, should be reinforced by providing them with ongoing training and resources to enhance their risk management capabilities.

The researcher recommends that banks continue to strengthen their implementation control practices due to their significant impact on organizational performance. To further enhance this aspect, it is advised that banks consistently incorporate comprehensive cost analysis into the planning process, ensuring that financial considerations are integrated at every stage of strategic development. Additionally, banks should maintain a strong focus on identifying and incorporating key success factors during the planning phase. This approach will facilitate a more strategic alignment with organizational goals and market demands.

Areas of Further Study

This study predicts only 52.3% change in organizational performance and this implies that future studies may focus on other variables that explain organizational performance of commercial banks. On the methodological stance, this study only uses the quantitative approach where a questionnaire survey is utilized and ignores the qualitative approach. Future studies may also take this advantage.

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