

The Effect of Strategic Leadership on Organizational Performance of Commercial Banks
in Kenya: A Case of Kcb Bank Kenya Limited

by

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OF COMMERCIAL BANKS IN KENYA: A CASE OF KCB BANK KENYA LIMITED

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In accordance with Daystar University policies, this thesis is accepted in partial fulfillment of requirements for the Master of Business Administration degree

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I hereby declare that this thesis is my original work and has not been submitted to any other university or college for academic credit.

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LIST OF ABBREVIATIONS

CBD – Central Business District

CBK – Central Bank of Kenya

CEO – Chief Executive Officer

KBA – Kenya Bankers Association

KCB – Kenya Commercial Bank

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ABSTRACT

The relationship between strategic leadership and organizational performance has been a key concern to commercial banks in Kenya. The purpose of this study was to find out the effect of strategic leadership on the performance of the KCB Bank Kenya Ltd. The following objectives guided the study; To identify the strategic leadership components, to determine the effect of strategic leadership on organizational performance and to determine challenges facing in providing strategic leadership at KCB Bank Kenya Ltd. The study adopted a descriptive research design. The study focused on a scope of 262 employees drawn from the headquarters. The study obtained a sample size of 79 respondents and adopted purposive sampling technique. The study used SPSS (version 20) to analyse the data. The Key findings of the study were: The strategic leadership components at KCB Bank Kenya Ltd that had a great influenced its performance, culture, and level of effectiveness as noted by 55.3% of the respondents. The effect of strategic leadership on organizational performance in KCB Bank Kenya Ltd was quite significant; with 51.7% of the interviewees agreeing and strongly agreeing. The main challenges faced in providing strategic leadership to the bank were government's restrictions and changing technology as noted by 48.9% of the respondents. There is need to regularly analyze its business environment so as to aid in setting a new strategic direction and that banks should accomplish their goals in time so as to ensure that continuity of the bank transactions is well maintained and enhanced. The study saw that there was a need to investigate on how to better involve all stakeholders in strategic decision making to better tailor banking services to the needs of clientele to improve performance and offered it as a recommendation for future studies.