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Relationship Between Strategic Intent And Performance Of Kenya Commercial Bank In Nairobi City County, Kenya

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***Abstract:** As other players in the financial sector, Kenya Commercial Bank is jostling for market share in the face of significant challenges posed by stiff competition emanating from the sector as well as from mobile telephony providers that have introduced innovative alternative products to conventional banking products. This study investigated the effect of strategic intent on performance of Kenya Commercial Bank in Nairobi City County. The researcher made use of descriptive research design to aid in implementation of the research strategy. The target population of the study consisted of employees of Kenya Commercial Bank whereas data was collected from a sample of employees at the management level selected using stratified random sampling. Both primary and secondary data were collected using structured questionnaire and document review respectively. Validity of the questionnaire was ensured using experts' opinion and literature review. A pilot study was conducted using fourteen employees and the data gathered aided in testing the reliability of the research instrument. Analysis of descriptive statistics was conducted using frequencies, percentages, mean and standard deviation. Analysis of inferential statistics was performed through bivariate correlation analysis and multiple linear regression analysis in order to confirm if indeed there was a relationship between the research variables. Results of bivariate correlation analysis showed that strategic intent has a strong positive linear relationship to performance. Similarly, regression analysis demonstrated that strategic intent is statistically significant to performance at ninety five percent level of confidence. Corporate level managers should formulate policy that guide the development of strategic intent and ensure there is effective communication of the organizational vision, mission, objectives and policies to enhance ownership and commitment of key stakeholders to the strategic direction of the bank.*

***Keywords:** Strategic Management, Strategic Intent and Organizational Performance*

I. INTRODUCTION

Organizations play an important role in societies and represent a key ingredient of economic performance of developing nations. As has been asserted by Jones, George and Hill (2000), the capacity of an organization to achieve and maintain high performance and productivity is a critical challenge facing management of virtually all corporations today. Notably, strategic management practices have been identified as an imperative for competition and enhanced performance as it improves efficiency in respect of production and allocation of goods and services in the organization. In financial sector, strategic management practices and competition has implications to access to financial resources, allocation of funds, competitiveness and development of service and manufacturing industries, levels of economic growth and the degree of financial stability. Competition can be a basis for stimulating innovation, lowering prices and increasing the quality of products and services produced, which consequently enhances customers' choice and welfare.

Estimation and measurement of business performance has always been a key concern to management practitioners and researchers. In this regard, some scholars have particularly focused on refining the definitions and measurement of organizational performance. Pearce and Robinson (2003) highlight survival in the market, growth and profitability as three economic goals, which are arguably used to define a company's performance guided by its strategic direction. Organization performance is considered the most important criterion for evaluating organizations' actions, and environments (Short, McKelvie, Ketchen & Chandler, 2009; Kinyua, Muathe & Kilika, 2015). Furthermore, Abdi and Kinyua (2018) noted that performance demonstrates the ability of an organization to accomplish its mission by engaging in sound management practices, strong governance and persistent rededication to achieving the desired results. Organizational performance can be measured using both financial and no-financial outcomes (Kaplan & Norton, 2007. The key indicators of performance identified in the balanced scorecard encompass financial, customer service and satisfaction index, organization's learning and growth and internal business processes.

Some researchers have used profits, return on assets, and return on investments among others as financial indicators of corporate performance (Richard, 2009; Jafari, Jalal, Akhavan & Mehdi, 2010). The argument advanced in favour of financial indicators is that financial performance exists at different levels of the organization as finance is crucial organizational resource that precedes other resources needed for the purpose of pursuing the corporate goals and objectives. Other researchers have used non-financial indicators such as new products, product improvement, speed of response to market crises, customer retention and new processes (Maltz, Shenhar & Reilly, 2003; Raymond & St-Pierre, 2005, Sifuna, 2014; Kinyua, Muathe & Kilika, 2015). Those using non-financial indicators have contended that such indicators represent a more precise picture than financial indices whose results are superficial can thus for planning future operating conditions of a company.

Strategic management may be viewed as a collection of decisions and actions that results in the formulation and implementation of plans designed to achieve the objectives of a firm (Pearce & Robinson, 2002; Coultler, 2005). Therefore, strategic management practices encompass a set of organizational activities that results in strategic intent, formulation of plans, execution and control of the performance in a business enterprise. Thompson and Strickland (2007) asserted that the managerial work of formulating a strategy and presiding over its execution has five distinguishable tasks. These tasks include formulating a concept of the business and a vision of where the desired future state of the organization, translating the mission into distinct long-range and short-range performance objectives, crafting a strategy that matches organization's situation and that has potential to produce the targeted performance, implementing the chosen strategy efficiently and effectively, evaluating performance and initiating corrective measures. It has been observed that organizations, whether for profit or non-profit, private or public must of necessity engage in strategic management practices to aid in realization of their corporate goals (Kinyua, 2010).

Hamel (2008) views strategic intent as a revolutionary concept in the discipline and practice of strategic management that is associated with significant development and changes in the manner in which business enterprises function. In strategic management literature, the concept of strategic intent has been recognized as crucial to enhancing the understanding of the general direction in which a business is headed (Sneddon, & Mazzarol, 2002). Strategic intent is viewed as an obsession with winning across all levels of an organization which is sustained over a long period time (Hamel & Prahalad, 1989). Indeed, strategic intent can be regarded as the philosophical base of strategic management process which implies the purpose that an organization endeavors to achieve. Hamel and Prahalad (2010) posit that strategic intent envisions a desired position of leadership and establishes the criterion the firm can use to chart its progress. Therefore, strategic intent encompasses an active management processes that has potential to remarkably focus organization's attention on the essence of winning, inspiring people by communicating the value of the goal, providing room for contributions from individuals and teams, sustaining enthusiasm through providing new operational definitions in line with changes in circumstances and using intent consistently to guide allocations of corporate resources.

The banking industry has experienced mixed results at the global level in the post economic crisis period from 2008-2010, there after it slowed considerably with the growth rate of top 1000 banks worldwide remaining estimated at three percent(Gartner, 2010). Generally, the crisis has been made worse by the environment uncertainty making it extremely difficult to leverage and maintain superior performance. The banking industry has witnessed emerging trends in respect of the global markets where internet based banking solutions are being sought for instance in payment processing among others with a view to enhancing customer experience as well as support customer relationship management. In its, annual supervisory report, the Central Bank of Kenya (CBK) noted that environmental turbulence has not spared the financial sector in Kenya. This scenario has been exacerbated by heightening technology based competition, a hike in operational costs due to the sluggish growth of economy, reduced cost of borrowing, bad debts, capped interest rates among others (CBK, 2017). As a result, several commercial banks have experienced fluctuation in performance that has bordered on financial losses. The ensuing prospect of poor performance has made real the possibility of job cut in the form of retrenchment and layoffs and particularly given the fact a number of commercial banks are currently implementing a radical program of closing down a number of their branches in the name of enhancing efficiency. This unfolding scenario makes it imperative for management embrace strategic management practices albeit to enhance the competitive position and realize improved performance.

Kenya Commercial Bank Group is a commercial bank and financial services holding company based in the African Great Lakes region. The bank has its head offices are located in Nairobi, the capital city of Kenya, with subsidiaries in Kenya, Burundi, Rwanda, South Sudan, Tanzania and Uganda. KCB Group is among the oldest commercial banks operating in the East Africa region. As of December 2012, the Group was ranked as the largest financial services organization in the African Great Lakes. It has been noted that the banking industry just like other businesses is turning to strategic management process drivers so that they can gain and retain their market share (Ongore & Kobonyo, 2011). In 2016, Kenya Commercial Bank was granted a long term corporate credit rating of high by the Global Credit Ratings Company a leading emerging market focused ratings agency. The credit rating was done on the basis of a solid track record of improved performance attributed to the bank over the years, as well as the experience associated with top management team. In the same year, Kenya Commercial Bank undertook a successful capital mobilization program, which witnessed the issuance of bond and rights Issue. The success of the capital mobilization initiatives is widely considered as a demonstration of a vote of confidence in the long-term growth strategy of the bank.

The emerging trends and the dynamic conditions of the financial sector make it imperative for commercial banks to consider developing mechanisms for competition in order to enhance the ability to survive and succeed in the market place (CBK, 2014). The heightened competition in the banking industry in the recent past has been associated with fluctuations of market share and performance among the players. The advancement in technology has made it possible for customers to gain unfettered information about competing products that was hitherto not available, catalyzing increasing demand for higher quality services and product albeit at lower prices. As other players in the financial sector, Kenya Commercial Bank is jostling for market share in the face of significant challenges posed by stiff competition emanating from the sector as well as from mobile telephony providers that have introduced innovative alternative products to conventional banking products (KCB, 2016).

II. LITERATURE REVIEW

The contingency theory of leadership was propounded by an Austrian psychologist Fred Edward Fiedler in a landmark article "A Contingency Model of Leadership Effectiveness" published in 1964 article (Robbins & Coulter, 2002). It proposes that the most effective and appropriate governance structural design is the one where the organizational structure matches its contingencies. The theory therefore asserts that when managers make decisions regarding operations within their organizations, they must consider all aspect of current situation and act on those aspects that are significant to the situation at hand (Olum, 2004). Prescriptions of solutions to management problems and issues depend on particular environments prevailing in the organization (Andrews *et al*, 2012).

The strategic direction of a firm is therefore contingent upon the prevailing context or situations. This implies that different business environments with varying conditions would require diverse approaches for managing the organizational problems and thus suggesting a correlation between discernment of the environment and performance of an organization in a particular situation (Donaldson, 2001). Critics have faulted the" the rule of the thumb and one best way approach that prescribes specific solutions for issues in organizations universally and instead proposes that strategic management practices and in particular establishment of a clear strategic direction as an imperative to the attainment of an appropriate alignment between the organization and its environment (McLaughin *et al*, 2002).

Hambrick and Fredrickson (2005) contend that the main goal of an organization main goal is to achieve sustainable growth overtime. The management of business enterprises bears the vision and strategic goals which have practical implication on the direction, choices execution of choices and evaluation of execution of the adopted courses of action. It is therefore important for a company to create a fit between capabilities and resources to leverage on opportunities in the marketplace and thus gain competitive advantage (Garlichs, 2011). Mazzarol (2004) suggests that innovation which is a key ingredient for sustainability of a firm is also an imperative for growth and differentiation from competition. Companies that are keen to grow their customer base ought to seek innovation to obtain a strategic fit for channelling their growth ambitions (Ries, 2011).

Contingency theory holds that an organization is an open system that relies on the environment and serves the environment (Morgan, 2007). This therefore brings to the fore the relevance of this theory to practicing managers since it supports the need for organizations environmental scanning in development of strategic intent that would result in selection and adoption of strategic choices with potential to optimize the ability of the firm to adapt and respond favourably to the changes in the environment and thus guaranteeing survival and success of a business enterprises in the long-term (chandler, 1962). Therefore, the postulates of contingency theory were used to underpin the independent and dependent variables in this study.

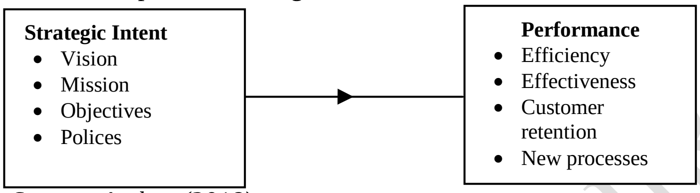
A. EMPIRICAL LITERATURE REVIEW

Ondita and Bella (2015) carried out an investigation on strategic intent and organizational performance in the banking industry in Delta State Nigeria. The design of this study was cross-sectional survey. Strategic intent was measured using organizational vision, organizational mission and organizational objectives. The study concluded that the different dimensions of strategic intent have varying positive contribution to organizational performance. This study has a weakness to the extent that the sample was selected using a non-random sampling procedure and was therefore not representative enough to support drawing conclusion on the population. The current study seek to overcome this challenge by using stratified proportionate sampling so as to attain a sample that fairly represent the target population.

Pateman (2015) studied the effect of strategic intent on knowledge creation and transfer in the logistics industry in Australia. Although the study was exploratory in nature, mixed research design was used to allow the researcher to collect qualitative and quantitative information. The sample was selected using random sampling procedure that included systematic sampling method. The findings of the study showed that strategic intent provide a frame of reference that supports alignment that was thus important for formation of collaborative ventures. In addition, strategic intent was found to serve as a basis for development of absorptive capacity through provision of a platform for enhancing understanding. In this case, absorptive capacity is viewed as the mechanism through which collaborative ventures facilitates creation and transfer of knowledge. This study failed to analyze the quantitative data at the level of inferential statistics, instead, maintaining emphasis on descriptive measures. There is also a contextual weakness as the current study is biased towards Kenya Commercial Bank in Kenya.

Richard (2015) conducted a study on the link between strategic intent, capabilities and financial performance of Pharmaceutical Industry. Firm-level secondary data was gathered from the pharmaceutical industry for the years 1993 through 2003. Strategic intent was measured as the difference in expenditures in key areas including research and development, marketing, and fixed asset from one year to the next. The study found that firms with high levels of strategic intent do subsequently accumulate capabilities, in form of patent applications used to measure capabilities in the pharmaceutical industry. Patent applications incorporate firm specific embedded resources in unique combinations in order to secure monopoly rights over a specific compound sequence. Pharmaceutical firms were found to be overinvesting in patent capabilities as the returns are negatively associated with these types of capabilities. The study made use of financial measures of performance which are retrogressive and may not inform current and future practices of the organizations as is the case with the non-financial measures of performance chosen for the current study

Deriving from critical review of existing theories and related extant empirical literature, a conceptual framework displaying the hypothesized relationship between the study variables is presented in figure 2.1.



Source: Author (2018)

Figure 2.1: Conceptual Framework

Figure 2.1 shows the interaction between the research variables adopted in this study. The graphical illustration demonstrates the expectation of the researcher that there is a relationship between strategic intent and performance of Kenya Commercial Bank. The research hypotheses for this study are;

H_0: There is no relationship between strategic intent and performance of Kenya Commercial Banks in Nairobi City County, Kenya.

H_1: There is a relationship between strategic intent and performance of Kenya Commercial Banks in Nairobi City County, Kenya.

Strategic intent was measured using organization vision, mission, objectives and policies. However, the indicators of performances of Kenya commercial bank included efficiency, effectiveness, customer retention and new processes.

III. RESEARCH METHODOLOGY

The researcher made use of descriptive research design to facilitate investigation of the relationship between the study variables. Saunders (2007) contends that descriptive survey design provides a quantitative description of certain trends and opinions including attitudes of a population by studying a sample of that population. Descriptive research design was appropriate because it enabled systematic collection of factual information that is crucial for making decisions, identifying current practices, conditions, and relationships associated with the research variables (Bryman, 2006).

The population of this study comprised of employees at managerial level at the head office of Kenya Commercial Bank in Nairobi. These employees consisted of senior management team, middle level managers and functional level managers as shown in Table 3.1.

Category	Frequency	Percentage
Senior Managers	24	16.9
Middle Level Management	46	32.4
Functional managers	72	50.7
Total	142	100

Source: KCB (2017)

Table 3:1: Target Population

The total target population comprised of 142 employees including 24 senior management, 46 middle-level managers and 72 functional-level managers. In percentages, senior management team comprises the smallest proportion at 16.9 % whereas functional level manager has the largest proportion of the total population at 50.7%.

The researcher made use stratified random sampling technique in selecting a representative sample from the total population. O'leary (2004) suggests that stratified random sampling entails sub-dividing the target population into various homogenous strata and then taking a simple random sample within each stratum. According to Cooper and Schindler (2006), a randomly chosen sample of about 10% of a population is fairly representative of the population being studied. Similarly, Mugenda and Mugenda (2003) proposed that a sample of not less than 10% of the target population can be sufficient with Kothari (2004) suggesting that such a sample should have a minimum of 30 subjects. Consequently, the researcher made use of 50% of the population of interest for the purpose of making (Mugenda & Mugenda, 2003; Kothari, 2004; Cooper and Schindler, 2006).

Category	Frequency	Sampling Ratio	Sample Size	Percentage
Corporate managers	24	0.5	12	16.9
Middle level management	46	0.5	23	32.4
Functional managers	72	0.5	36	50.7
Total	142	0.5	71	100

Source: Author (2018)

Table 3.2: Distribution of Sample Size

In Table 3.2, a sample of 73 employees was selected using 0.5 as the sampling ratio/factor. This sample was proportionately distributed across all the three strata of management. Senior management team with the smallest population made the least contribution of 16.6 %. However, functional level manager resulted in the largest contribution of 50.7%.

Primary and secondary data was used for the purpose of conducting this study. Primary data was collected through a structured questionnaire constructed on 5-point Likert scale. The questionnaire had a set of closed ended questions that allows the respondent to select a response form a range of five possible alternative responses. The questionnaire had two major sections. The first section focused on general information regarding employees' personal profile. However, the second section comprised of questions on specific information relevant to the objective of the study and was sub-divided into two sub-sections with questions regarding strategic intent and performance. The researcher also collected secondary data through a review of published reports and documents available on the website of Kenya Commercial Bank and central Bank of Kenya. These published sources included Kenya Commercial Bank's Annual Report and CBK Banks' Supervision Annual Reports.

Primary and secondary data were utilized in this study. Primary data was collected using a semi-structured questionnaire administered to managers of the five functional areas identified in each bank. Closed-ended questions constructed on a 5-point Likert scale (1-strongly disagree and 5-strogly agree) provided structured responses that facilitated quantitative analysis, testing of hypothesis, and drawing of conclusion. However, open-ended questions provided additional information that may not have been captured by the closed-ended questions. Secondary data was obtained through document review of published sources including periodicals from CBK such as CBK Bank Supervision Annual Report and CBK Monthly Economic Review.

The tests of validity focused on face, content and construct validity of the questionnaire. To ensure face validity of the questionnaire, the researcher solicited opinions from the experts in the field of management and particularly the supervisors and lecturers in the department of business administration. Content and construct validity was attained through extensive review of theoretical as well as empirical literature considered relevant to the set of research variables in this study. This provided the basis for revision and modification of the research instrument thereby enhancing its validity.

A pilot study was conducted involving fourteen employees selected from the target population. The employees involved in the pilot study were precluded from the sample that was ultimately observed in the final research. The pilot study sought to determine the reliability of questionnaire. Cronbach's Alpha index was computed using SPSS to establish whether the survey instrument has a good level of internal consistency. The results of analysis of pilot data for internal consistency are presented in Table 3.3.

Variable	Cronbach's Alpha	Frequency	Comment
Strategic Intent	0.798	6	Reliable
Performance	0.726	6	Reliable
Aggregate	**0.762**	**12**	Reliable

Source: Pilot Data (2018)

Table 3.3: Results of Reliability Analysis

The results in Table 3.3 demonstrate that the measures of the study variables were reliable given that the least and highest values of Cronbach's alpha were 0.726 and 0.798 for performance and strategic intent. Field (2009) proposes a Cronbach's alpha index of not less than 0.70 as an appropriate measure for demonstrating the reliability of a research instrument. The aggregate score of Cronbach's alpha associated with the two research variables was 0.762. In this case, individually and collectively, the study variables had Cronbach's alpha values that were greater than the 0.70 threshold recommended by Field.

Empirical data was gathered using self-administered questionnaires that delivered and returned through a drop-and –pick later method. The researcher sought a research permit from the National Commission for Science, Technology and Innovation (NACOSTI) to facilitate implementation of the research strategy. Similarly, the researcher sought formal permission from the human resources manager of Kenya Commercial Bank so as to gather data from the target respondents. The researcher sought informed consent from all those participating in the study. Any respondent that for some reason was not willing to participate in the study was excluded from the investigation. The identity of respondents' were not indicated anywhere on the data collection tools for confidentiality and information gathered was only be used for academic purpose.

The collected data was edited to minimise errors and detect any inconsistencies and problems resulting from the use of the questionnaire. The responses were coded to allow the researcher to minimize errors during data entry and processing and support easy interpretations of results of analysis. After coding, the data was carefully entered into the SPSS software using the codes assigned and a final check performed to ascertain the level of accuracy, completeness and consistency. The research data gathered was analysed to generate the measures of both descriptive and inferential statistics. Descriptive statistics included such measures as frequency count, percentages, sample mean, and sample standard deviation; however inferential statistics involved the use of bivariate correlation analysis and simple linear regression analysis.

The study was guided by the multiple regression models presented in model 3.1

$Y = \beta_0 + \beta_1 X_1 + \varepsilon$ 3.1

Where;

Y = Performance

X_1= Strategic intent

B_0 = Beta coefficient for the constant

β_1 = Beta coefficient for the independent variable

ε = Error term

The results of multiple regression analysis were tested for statistical significance using a threshold of 95% level of confidence. Therefore, where p values associated with a given coefficients was at most 0 .05 the relationship between the research variables was confirmed to be statistically significant at 95% confidence level.

IV. RESEARCH FINDINGS AND DISCUSSION

The proportion of questionnaires that were received from the field was analyzed in order to understand the response and non-response rate that characterized this study. The results of this analysis showed that out seventy one management employees that had been provided with the questionnaire, forty nine dully filled questionnaires were received back by the researcher. This translated to a response rate of sixty nine percent and non-response rate of thirty one percent. Mugenda and Mugenda (2003) proposed that a response rate of 50% is sufficient for statistical analysis and making of conclusions.

A. BIOGRAPHICAL INFORMATION OF RESPONDENTS

The background information of the respondents that were observed in this study was analysed in terms of gender, tenure of office and level of management. The results of this analysis are presented in Table 4.1.

Category	Sub-Category	Frequency	Percent
Gender	Male	27	55
	Female	22	45
	Total	**49**	**100.0**
Length of Service	At most 5 Years	8	16.3
	5 - 10 Years	13	26.5
	10– 15 Years	16	32.7
	At least 15 Years	12	24.5
	Total	**49**	**100.0**
Level of Management	Senior Management	7	14.3
	Middle Management	16	32.6
	Functional Management	26	53.1
	Total	**49**	**100.0**

Source: Field Data (2018)

Table 4.1: Analysis of Background Information

The results in Table 4.1 showed that a majority of the management employees involved in this study were of male gender at 55%. The rest of the management employees comprising 45% were of the female gender. These proportions of participation in the study demonstrated that there was a fair representation of both genders in the study.

The analysis also showed that the category of management employee that had worked for a period of ten to fifteen years was the most dominant with representation of 32.7%. Nevertheless, participants who had worked for at least five years comprised the smallest proportion at 16.3%. Other categories of management employees that were observed had worked with KCB for at least fifteen years and between five and ten years respectively. Therefore, the length of service of the management employees involved in this study was sufficient to enable them to provide the information that was required by the researcher.

Furthermore, the analysis of biographical information of respondents indicated that majority of the respondents at 53.1% were at the level of functional management. The other levels comprising of middle and senior management had representation of 32.6% and 14.3% respectively. This distribution of participants across the three cadres of management considered crucial for the purpose of this study illustrated that there was fair representation of target levels of management in the study.

B. DESCRIPTIVE STATISTICS

Sample mean and sample standard deviation were used generate the summary measures suitable for describing the characteristics of the sample. Descriptive statistics was analyzed on the responses obtained from the respondents on the five variables that were at the core of this research. The results of this analysis formed the basis for statistical analysis and making of inferences.

The researcher carried out the analysis of responses that were collected on the measures of strategic intent and performance with a view to generating the sample measures. The results of the analysis are presented in Table 4.2.

Strategic Intent	n	Min	Max	Mean	Std. Dev
Reason for existence of the bank is widely communicated	49	4	5	4.33	0.47
Awareness of the desired future	49	3	5	4.16	0.69
Inspired by the direction and purpose	49	3	5	4.12	0.48
Purpose of existence creates a sense of belonging	49	3	5	4.22	0.69
Identifies freely with the objectives	49	4	5	4.39	0.49
Sense of ownership of the objectives and policies	49	3	5	4.37	0.60
Aggregate score for strategic intent	**49**	**3**	**5**	**4.27**	**0.57**
Performance					
Strategic management practices results in reduction in turn-around time	49	3	5	4.37	0.60
Strategic management practices enhance the speed of response	49	3	5	4.11	0.48
Strategic management practices supports repeat purchases	49	4	5	4.33	0.43
Strategic management practices result in superior offerings	49	3	5	4.12	0.48
There are reduced cases of customer complaints	49	3	5	4.22	0.71
Strategic management practices support service processes	49	4	5	4.40	0.49
Aggregate score for performance				**4.26**	**0.53**

Source: Field Data (2018)

Table 4.2: Descriptive Statistics for the Research Variables

The results presented in Table 4.2 showed that sample mean for individual responses ranged between 4.12 and 4.39 approximating to 4.00 on the Likert scale. This meant that the respondents were in agreement that the set of activities implied by the statements on strategic intent were performed in Kenya Commercial Bank. Similarly, the sample standard deviation for individual responses ranged between 0.47 and 0.69 implying that the responses were clustered together around the sample mean as the variation was narrow. Furthermore, the aggregate scores for sample mean and sample standard deviation for strategic intent were 4.27 and 0.57 respectively. Consequently, aggregate coefficient of variation of the responses on strategic intent is 13% which indicates that on average there was a narrow variability across responses on the measures of strategic intent. In this case, the sample mean was a good estimator of the population mean and thus can support making generalizations from the sample to the population. Moreover, the low level of variability depicted that the activities that were used as measures of strategic intent are practiced in Kenya Commercial Bank and are thus important for the bank performance.

In addition, the results showed that the aggregate sample mean for the set of six measures used to indicate performance of Kenya Commercial Bank was 4.26 translating to agree on the five point Likert scale adopted by the researcher in this study. The aggregate coefficient of variation of 12.4% deriving from the aggregate scores of performance is notably low. Similarly, the sample measures on responses to the individual statement range between 4.11 and 4.40 for sample mean and 0.43 and 0.71 for sample standard deviation. This behavior of sample measures demonstrated that the responses from the respondents were close together and thus the sample mean was a reliable estimator of the population mean. Furthermore, the statistics reported in Table 4.6 on aggregate scores demonstrate that the activities that were used to indicate and therefore measure performance are practiced in Kenya Commercial Bank.

C. TEST OF HYPOTHESIS

The researcher used both bivariate correlation analysis and multiple linear regression analysis in order to investigate the relationship between strategic management practices and performance of Kenya Commercial Bank. Bivariate correlation analysis was conducted using Statistical Package for Social Sciences (SPSS) to measure the degree of relatedness of strategic intent and performance. The results of product moment correlation analysis are presented in Table 4.3.

		Strategic Intent	Performance
Strategic Intent	Pearson Correlation	1	.820**
	Sig. (2-tailed)		.000
	N	49	49
Performance	Pearson Correlation	.820**	1
	Sig. (2-tailed)	.000	
	N	49	49

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

Source: Field Data (2018)

Table 4.3: Pearson Correlation Coefficient

The results in Table 4.3 show the Pearson product moment correlation coefficient for the pairs of variables that were at the center of focus in this study. The correlation coefficient for strategic intent and performance was 0.820 at a level of significance of 0.000 for two tailed test. This correlation coefficient demonstrates that there is statistically significant strong positive linear relationship between strategic intent and performance.

Multiple regression analysis was performed using SPSS in order to estimate a quantitative model that can be used to predict or determine the effect of strategic intent on performance of Kenya Commercial Bank. In order to accomplish this objective, strategic intent was regressed on performance. The results of this statistical analysis are reported in Tables 4.4.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.895[a]	.801	.789	.08543	2.469

a. **Dependent Variable:** Performance
b. **Predictor:** (Constant), Strategic Intent

Source: Field Data (2018)

Table 4.4: Model Summary

Table 4.4 provides the output of the model summary of the simple linear regression analysis. The result supports the findings on correlation analysis as the correlation coefficient between strategic intent and performance is 0.895 implying a strong positive linear relationship. This is further confirmed by the value of coefficient of determination of 78.9% which implies that strategic intent is responsible for 78.9% of variation in performance of Kenya Commercial Bank.

The output of the test of analysis of variance (ANOVA) that sought to establish if the estimated model was statistically significant is presented in Table 4.5.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.875	4	1.719	4425.648	.000[b]
	Residual	.017	44	.000		
	Total	6.892	48			

a. **Dependent Variable:** Performance
b. **Predictor:** (Constant), Strategic Intent

Source: Field Data (2018)

Table 4.5: Results of Analysis of Variance

The results of analysis of variance (ANOVA) show that the estimated regression model sufficiently fitted the set of observed data with the value of F-statistic as 4425.648 at a level of significance of 0.000 which is less than the p-value of 0.05 that had been adopted as threshold for making decisions and inferences at 95% level of confidence. This implied that the coefficient of determination that indicates the explanatory power of strategic intent on performance occurred randomly.

The output of the regression coefficients that provide information on the actual effect of each of strategic intent on performance of Kenya Commercial Banks are presented in Table 4.9.

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% CI for β	
	Beta	Std. Error	Beta			LB	UB
(Constant)	.138	.037		2.675	.010	.025	.175
Strategic Intent	.413	.037	.376	11.142	.000	.339	.488

a. **Dependent Variable:** Performance
b. **Predictors:** (Constant), Strategic Intent

Source: Field Data (2018)

Table 4.9: Results of Regression Coefficients

The results of statistical analysis reported in Table 4.9 aided in the estimation of the linear regression model presented below.

Performance = 0.138 + 0.413 Strategic Intent…....Model 4.1

The study sought to determine the relationship between of strategic intent and performance of Kenya Commercial Bank. The results of regression analysis in Table 4.9 showed that strategic intent is statistically significant at $\beta=0.413$; $t = 11.142$; $p = .000$. The confidence interval for hypothesis testing has both the lower and upper limits as .339 and .488

respectively confirming that the estimated beta coefficient for strategic intent actually lies in the interval. These results imply that at 95% level of confidence strategic intent has a positive effect on performance of Kenya Commercial Bank. The results confirm that an increase of one unit in strategic intent is responsible for increasing performance by 0.413. The study therefore concludes that strategic intent affects performance of Kenya Commercial Bank. The findings corroborate the conclusion made by Ondita and Bella (2015) that different dimensions of strategic intent have positive contribution to organizational performance. Furthermore, the findings made by Pateman (2015) that strategic intent provides a basis for the development of absorptive capacity and in essence enhances corporate performance are substantially supported by the results of correlation and regression analysis.

V. SUMMARY, CONCLUSION AND RECOMMENDATIONS

The researcher sought to investigate the effect of strategic intent on performance of Kenya Commercial Bank. This objective emphasized the fundamental role played by activities that seek to formulate the vision, mission, objectives and policies of the overall organization. The results of analysis of descriptive statistics confirmed that collectively the activities that measured strategic intent were considered crucial and therefore were practiced in Kenya Commercial Bank. Further statistical analysis of the data gathered indicated that strategic intent has a positive effect on performance of Kenya Commercial Bank.

Evidence from existing body of empirical literature demonstrates that corporate performance is dominant theme and a central concern for practitioners and scholars in modern business organizations. Indeed corporate performance emphasizes attainment of certain outcomes that are of interest to the management and other stakeholders. It is for this reason that this study sought to investigate the relationship between strategic intent and performance of Kenya Commercial Bank. The results of statistical analysis demonstrated that there is a statistically significant relationship between strategic intent and performance. The conclusion of the study therefore is that market strategic intent has a relationship with performance of Kenya Commercial Bank in Nairobi City County, Kenya. In this case, it's important for management of Kenya Commercial to entrench and foster activities and practices associated establishing strategic intent for the organization. These activities and practices revolve around formulation of vision, mission, objectives and Polices. Corporate level managers should formulate policy that guide the development of strategic intent and ensure involvement of stakeholders in the strategic management process.

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