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FACTORS AFFECTING ACHIEVEMENT OF PERFORMANCE TARGETS IN COMMERCIAL BANKS IN KENYA

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Abstract

The business context of organizations is an ever-changing environment. Commercial banks in Kenya are facing stiff competition necessitating the design of competitive strategies to guarantee their achievement of targets. The business environment in the country has drastically changed resulting in some commercial banks opening a number of branches across borders and thus increasing competition in the industry globally which has led to many banks not achieving their performance targets. The general objective of this study was to investigate factors affecting achievement of performance targets in commercial banks in Kenya. This study was guided by the following two specific objectives: To establish the influence of management support and financial resources on the achievement of performance targets in commercial banks in Kenya. This study also employed descriptive research design. The population of the study comprised of all the commercial banks licensed by the Central Bank of in Kenya. The Sample size was 164 respondents. Quantitative data was analyzed using descriptive statistics with the use of Statistical Package for Social Sciences (SPSS) version 20.0. Descriptive statistics such as frequencies and percentages used to describe the quantitative data. The analyzed data was presented in form of tables, where applicable. The study use Analysis of Variance (ANOVA) to test the level of significance of the variables on the dependent variable at 95% confidence level. In addition, the study conducted a multiple regression analysis. The study found that management support and financial resources, were key determinants of commercial banks performance in Kenya. These variables were found to have a positive and significant effect of performance target. The study concluded that management support and financial resources in Kenya have an influence on commercial bank performance. The findings that, management support and financial resources had a positive effect on commercial bank performance were good indications that increase in management support and financial resources causes the performance of the commercial bank in Kenya improve. Therefore the study recommended that all mangers in the Banks and other sector in the industries to consider providing supportive environment to employees by enhancing team work and providing resources to them so as to make targets achievable. The study further recommends that Managers to set a kitty of finances to enhance that employee are geared and motivated to achieve organizational set goals and objectives.

Keywords: *Management support, Financial resources and Performance targets*

1.1 Introduction

Performance targets are one of the most used managerial tools in the corporate world. Performance targets also referred to as assigned goals, quotas or performance aspiration levels. Deming (2010) suggest that business goals are necessary for management. For example, constancy of purpose and continuous improvement etc. However, performance targets established for employees without a road map have effects opposite to the effects sought. Deming (2010) stressed that performance targets are "a fortress against improvement" can be defined as the objects or aims of managerial actions or as borderlines that differentiate success from failure.

Zheng et al., (2010) argue that the job of strategy implementation is to translate plans into actions and the intended results. The test of successful strategy implementation is whether actual organization performance matches or exceeds the targets spelled out in the strategic plan. Shortfalls in performance signify weak strategy, weak implementation or both. The effectiveness with which a particular strategy is implemented should strongly affect performance on dimensions on which the strategy is expected to affect. Empirically, most strategy research studies employ the construct of business performance to examine a variety of strategy content and process issues (Zheng et al., 2010).

According to David (2013), both managers and employees should be involved in the implementation decision and adequate communication between all parties is important for successful implementation. Elements that require consideration during the implementation process include annual objectives, policies, resource allocation, management of conflict, organization structure, managing resistance to change, and corporate culture. In developing policies during the implementation process, methods, procedures, rules, forms, and administrative practices are established. According to David (2013), strategies which are implemented within an organization should support the culture associated with the firm. The proposed strategy should preserve, emphasize, and enhance the culture, in accordance with the culture supporting the proposed strategy.

Globalization has given rise to extended free market system in myriad world economies and this has heightened cut throat competition among firms. In fact, competition has effected every life deep from the internal nuclear family outfit where by competing interests can be seen even amongst young children trying to outdo each other in terms of superiority Shekhar, (2009). A growing business needs to be closely and carefully managed to ensure the success of new investment decisions and expansion plans. However, many managers find that as their businesses grow they feel more remote from its operations. Putting performance targets, training staff and motivating them can be important ways of keeping track on the progress of a business and achieving the overall objectives and goals of the organization. This gives vital information about what is happening in the business and it also helps in implementing strategies for growth

In Africa the ever changing economic environment has led to prioritization in terms of achieving improved performance and efficiency in both public and private sector organizations than ever before. Organizations aim at achieving this with the objective of improving competitiveness, delivering better service, and reducing costs. It is against such a background that organizations around the world have prioritized achieving heightened performance and efficiency with such objectives in perspective. According to Barly, (2003), more organizations are realizing that improved business performance depends not only on improved processes like adopting modern human resource aspects, technology and products, but also equally as much on achievement of performance targets. If corporations are to survive and thrive in the global economy they require world class human resource competencies and processes for managing them. Effective training can therefore provide a potential source of enhanced performance and competitiveness

Performance targets are the success measures of the organization`s performance management system and are defined by performance indicators. Without performance targets the organization`s vision cannot be quantified. Target setting is strategic process to establish performance goals. It is therefore carried out concurrently with other management activities, in particular the implicit consideration of strategic choices (Kaplan & Norton, 1996). Target setting is critical for effectiveness of performance measurement and management. Kaplan and Norton, (1996) for example, only recommend the use of stretch targets. Ahn, (2001) proposes that the interdependencies between the measures should be taken into account when quantifying the values of the targets to be attained each year. There is little evidence in relation to the use of targets across broad multidimensional perspectives of performance.

1.1.1 Commercial Banks in Kenya

Commercials banks in Kenya are licensed and regulated under the Banking Act Cap 488 and prudential regulations issued by the central bank of Kenya from time to time. All of the policies and regulations that administer the entire banking industry centres in lifting the controls towards the management and equitable services (CBK, 2015). As at December 2012, the Kenyan banking sector comprised of 43 commercial banks, 1 mortgage finance company, 6 deposit taking microfinance institutions, 2 credit reference bureaus, 3 representative offices and 124 foreign exchange bureaus (CBK, 2015). In the last five years there has been a drastic change in the banking industry raging from expanded regulations, technology advancement, stiff competition and the ever changing customer preference. Investment in more robust banking systems, agency banking, mobile and internet banking and cheque truncation are some of the new innovation facing the industry today. Mwando (2013) for instance documents that financial products have increased, activities and organizational forms have also improved and the overall efficiency of the financial system has increased (CBK, 2015).

1.2 Statement of the Problem

Commercial banks' ability to survive in a competitive business environment is dependent upon their ability to implement appropriate strategies that will enable them achieve their performance targets. The level of competition has also increased drastically in the banking industry as more Microfinance Institutions and SACCOs struggle to attract customers. This has reduced the profitability of some product lines in commercial banks, while customers access the services from the Sacco and Microfinance institutions. The issue of performance target achievement has been a current trend in the banking sector. PWC report 2016 report indicate thank employees in the banks are working under pressure, while other face retrenchment due to performance contracts. This has called for banks and other firm to embark on the issue of performance target achievement and review the possible solution to overcome its challenges.

Oloo (2011) noted that despite the good overall financial performance of banks in Kenya, there are a couple of banks declaring losses. This is in line with the findings of Davidson (2013) who observed that Kenya Commercial Bank (KCB) had reported a loss principally caused by an increase in loan loss provisions, which increased from KShs 2.8 bn in 2011 to KShs 4.9 b, in 2012. Muguni (2011) researched on the role of executive development in strategy implementation. Kiptugen (2013) took a study to determine the strategic responses of Kenya Commercial Bank to a changing competitive environment. He gave attention mainly on strategies that can be adopted in a competitive environment. These studies did not cover the factors affecting achievement of performance targets in commercial banks in Kenya. Therefore, this study will seek to investigate factors affecting achievement of performance targets in commercial banks in Kenya.

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1.3 Objectives of the Study

The general objective of this study was to investigate factors affecting achievement of performance target in commercial banks in Kenya.

1.3.1 Specific Objectives

This study was guided by the following specific objectives:

i. To establish the influence of management support on the achievement of performance targets in commercial banks in Kenya.

ii. To examine the influence of financial resources on the achievement of performance targets in commercial banks in Kenya.

1.4 Research Questions

i. What is the influence of management support on the achievement of performance targets in commercial banks in Kenya?

ii. What is the influence of financial resources on the achievement of performance targets in commercial banks in Kenya?

1.5 Scope of the Study

This study was carried out in all registered commercial banks in Nairobi Town, Kenya. The study focused of the influence of management support and financial resources on the achievement of targets in commercial banks. The targeted population was both Managers and junior staff.

2.0 LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Stewardship Theory

Stewardship theory Davis et al (2011) is an alternative view of agency theory, in which managers are assumed to act in their own self-interests at the expense of shareholders. It specifies certain mechanisms which reduces agency loss including tying executive compensation, levels of benefits and also managers' incentive schemes by rewarding them financially or offering shares that aligns financial interest of executives to motivate them for better performance. The executive manager, under this theory, far from being an opportunistic shirker, essentially wants to do a good job, to be a good steward of the corporate assets. Thus, stewardship theory holds that there is no inherent, general problem of executive motivation.

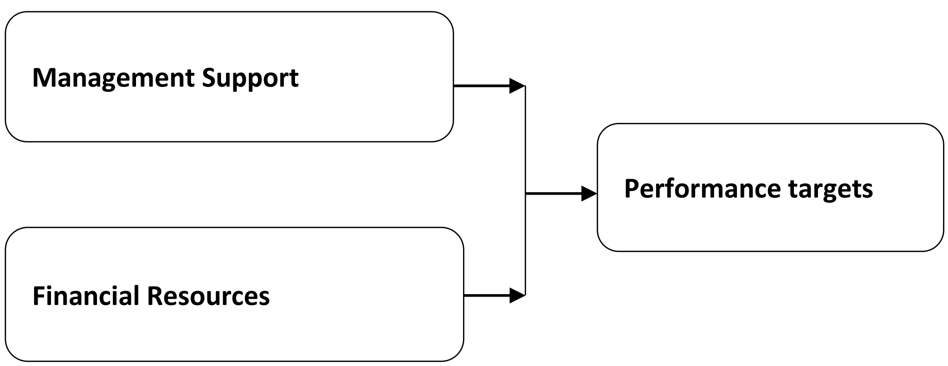
The model of man in stewardship theory is based upon the assumption that the manager will make decisions in the best interest of the organization, putting collectivist options above self-servicing options. This type of person is motivated by doing what's right for the organization, because she believes that she will ultimately benefit when the organization thrives. The steward manager maximizes the performance of the organization, working under the premise that both the steward and the principal benefit from a strong organization.

2.1.2 Resource Based Theory (RBT)

According to Conner and Prahalad (2013), the Resource Based Theory (RBT) approach to competitive advantage contends that internal resources are more important for a firm than external factors in achieving and sustaining competitive advantage. In this view, organizational performance is primarily determined by internal resources including physical resources, human resources and organizational resources. The mix, type and amount and nature of a firm's internal resources should be considered first and foremost in devising strategies that can lead to sustainable competitive advantage. Managing strategically according to RBT involves developing and exploiting a firm's unique resources and capabilities and continually maintaining and strengthening those resources. The theory asserts that it is advantageous for a firm to pursue a strategy that is not currently being implemented by any other competing firm. Such resources must be either rare or hard to imitate or not easily substitutable (Conner & Prahalad, 2013).

This theory is relevant to the study because RBV sees resources as key to superior firm performance. Organizations should look inside the company to find the sources of competitive advantage instead of looking at competitive environment for it. Sustained competitive advantage can be achieved more easily by exploiting internal rather than external factors as compared to organization input-output view. The resource based view of organizations present different perspectives on how best to capture and keep competitive advantage. A firm must strive to achieve sustained competitive advantage by continually adopting to changes in external trends and events and internal capabilities, competences and resources and by effectively formulating, implementing and evaluating strategies that capitalize upon those factors.

2.2 Conceptual Framework



Independent Variables Dependent Variable

Figure 2.1: Conceptual Framework

2.2.1 Management Support

Beer and Eisenstat (2010) argued that the top management must emphasize the various interfaces within the organization. One key challenge in successful strategy performance is ensuring employees' buy-in and directing their capabilities and business understanding toward the new strategy. Therefore, the need for effective leadership outweighs any other factor. Beer and Eisenstat (2010) further addressed this issue from a different perspective; they suggested that in the absence of effective leadership, conflicting priorities will result in poor coordination because employees will suspect that top management prefers to avoid potentially threatening and embarrassing circumstances.

According to Beer and Eisenstat (2010), blocked vertical communication has a particularly pernicious effect on a business's ability to implement and refine its strategy. Similarly, John and Meier (2011) studied the link between a company's corporate communication function and its implementation of strategy and found that Chief Executive Officers (CEOs) focus on branding and reputation and prioritize internal communication.

Coordination of activities, streamlining of processes, aligning the organizational structure, and keeping employees motivated and committed to strategy implementation are key responsibilities of the leadership (Beer & Eisenstat, 2010).

Thompson (2013) asserts that effective leaders should implement organization strategies to improve on the performance. Thompson (2013) further argue that strategy implementation is primarily an administrative task that involves figuring out workable approaches to executing the strategy and then, during the day-to-day operations, getting people to accomplish their jobs in a strategy supportive and results achieving fashion.

2.2.2 Financial Resources

Organizational capabilities are equated to the collective skills and abilities within an organization to organize, manage, and coordinate and control specific activities. Resources can be Tangible or intangible resources which can be categorized as physical resources, financial resources and human resource (Henry, 2011). Kuchru (2010) state that implementation also refers to the organizational resources and in which way the resources reflect in the activities and choices required for execution of a strategic plan. The resource based view of competition draws upon the capabilities and resources that reside within an organization or that which an organization might want to develop in order to achieve sustainable competitive advantage (Henry, 2011).

According to Henry (2011), resources are considered the ultimate source of sustainable value creation. Effective management plays a major role to ensure proper utilization at the right time and setting. While resources are important their existences per se do not confer any benefit to the organization. Competences are the attributes that a company requires to be competitive in a highly turbulent and hyper competitive environment. Implementation of strategy test the ability to allocate resources, design structures and systems, formulate functional objectives and plan for operational effectiveness (Henry, 2011).

Kuchru (2010) argue that strategies fail in implementation due to lack of resources. The finance strategic plan is an arrangement that focuses on how to successfully; make money, spend money, and estimate the income and operating cost. The total amount necessary to effectively manage an organization is planned for by executives as they settle on the requirements for the execution of their sections goals as well as the objective.

Financial resources Management function is a critical function of the management team of any organization. This function is even more important when financial resources are highly limited and capital allocations are difficult. This call for the finance team to be fully engaged and involved in the decision-making process of the business, its long-term strategy and the implementation of the strategy. The strategy should detail how all financial and non-financial resources will be managed to support deliver (Hussey, 2013).

2.3 Empirical Review

Carletti and Hartmann (2010) carried out a survey of 231 Micro Financing Institution (MFIs) in London on effect of competition on financial stability. They found that the degree of competition in the financial sector can matter for the access of firms and households to financial services and external financing, in turn affecting overall economic growth.

Mathieu and Zajac (2010) suggested that effective leadership communication and organization commitment are correlated. Rapert *et al*., (2011) stated that communication and shared understandings play a principal role in the implementation process. In particular, when vertical communication is frequent, strategic consensus is enhanced and organization performance improves, as evidenced by higher levels of net operating income, gross revenues, and net revenues. Consensus is considered to be critical in resolving differences, promoting a unified direction for the firm, increasing strategic commitment, and enhancing the successful implementation of a given strategy.

In a more recent study about effective leadership behavior in which 38 organizations were studied, Howell (2012) stated that effective champions are distinguished by three behaviors: (a) conveying confidence and enthusiasm about the innovation, (b) enlisting the support and involvement of key stakeholders, and (c) persisting in the face of adversity. Although the growing need for change in organizations is widely acknowledged by researchers, it is alleged that up to 70% of change initiatives fail (Higgs & Rowland, 2012). But, why do change efforts not succeed? Execution cannot succeed unless the strategy itself is designed to be executable. Apart from wasting significant amounts of time and money, they result in lower employee morale, a diminished trust and faith in senior-level leadership, as well as create an even more rigid organization since a company that has failed to change will encounter more employee skepticism in its next attempt (Heracleous, 2013).

2.4 Research Gaps and Critique

Warugu (2011) in his research, found out that focus and product differentiation are some of the major strategies that the banks have employed in their quest to outdo each other. Kiptugen (2010) looked at the strategic responses to a changing competitive environment; in the case study of Kenya Commercial Bank (KCB) and established that proactive rather than reactive strategies such as research on changing customer needs and preferences forms the basis of its strategic planning. Hitt *et al*., (2013) in their study aimed to exhibit the vital role of communications managers in strategy implementation, concluded that, within the scope of work of communications managers, Strategies can be implemented more effectively if they are written in clear achievable style, expressly communicated and when the organization has a healthy strong culture.

Powers and Hahn (2012) and Tapinos *et al.,* (2011) looked into whether or not there are any links between competitive methods, generic strategies and firm's performance. Tapinos *et al.,* (2011) also showed that in financial businesses, a cost leadership strategy did perform better than differentiation and focus. However, those, which have chosen differentiation and focus, performed better than the company that was stuck-in-the middle. Yabs (2010) also say that choosing a strategy based on the positional advantage in the market will make a firm successful, because it is dependent upon which resources are available to them.

Kamanda (2013) also conducted a research work about Kenya Commercial Bank (KCB) with the purpose of establishing the factors which sway its regional growth strategy. The research work, however, did not address the concerns on strategy implementation. Situma (2014) also covered KCB but gave attention to its turnaround strategy. Muguni (2011) on the other hand researched on the role of executive development in strategy implementation. His work was however a comparative study of KCB and National Bank of Kenya. This particular study also did not address the strategic change implementation process and challenges.

3.0 RESEARCH METHODOLOGY

This study employed descriptive research design. The design was appropriate as it entails the collection of data on more than one case and at a single point in time in order to collect a body of quantitative or quantifiable data in connection with two or more variables, which are then examined to detect patterns of association (Bryman, 2012). The population of the study comprised of all the commercial banks licensed by the Central Bank of Kenya as at 31st July 2015. There were (41) twenty commercial banks registered. Thus, the sampling frame for this study comprised of 41 commercial banks in Kenya where included in the respondents were

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branch managers, operations managers, credit managers and customer service managers. Census sampling was used to sample the respondents. The total Sample size was 164 respondents as shown in Table 3.1 below.

Table 3.1: Sample Size

Category	Sample Size
Branch Managers	41
Operations Managers	41
Credit Managers	41
Customer Service Managers	41

The study used questionnaires for all the respondents consisting of a list of structured questions, un-structured questions and Likert rating scales relating to the field of inquiry with space provided for selection of choices and explanatory answers. The questionnaires was structured into several parts that used enable the collection of data relating to the background information of the respondent, management support, financial resource and performance targets. Quantitative data was analyzed using descriptive statistics such as mean and standard deviation with the use of Statistical Package for Social Sciences (SPSS) version 20.0. Descriptive statistics such as frequencies and percentages was used to describe the quantitative data. The analyzed data was presented in form of tables, pie-charts and bar-graphs where applicable. The study used Analysis of Variance (ANOVA) to test the level of significance of the variables on the dependent variable at 95% confidence level. In addition, the study used conduct a multiple regression analysis.

4.0 RESEARCH FINDINGS AND DISCUSSION

4.1 Response Rate

Table 4.1 Response rate

	Number	Percentage
Responded	102	62
Did Not Respond	62	38
Total	164	100

Table 4.1 indicates that out of the 164 questionnaires administered, only 102 were returned. The overall response rate was thus found to be 62 % which was very high. The 38% of the respondents did not respond. The interpretation was that the high response rate was essential to obtain sufficient observations for further analysis.

4.2 Descriptive analysis

4.2.1 Management support

Table 4.2 Management support

Opinion Statement	Mean	Std. Deviation
Managers provide individuals and teams with clear, constructive feedback	4.16	1.115
Managers define and communicate clear performance objectives and standards	4.21	1.165

Managers review performance and deliver incentives in a fair and consistent manner	4.22	1.148
Managers provide relevant learning and development opportunities	4.23	1.102
Managers recognize and reward strong individual and team performance	4.20	1.135
Managers link performance to compensation and recognition	4.24	1.138
Managers identify clear career progress routes for employees	4.18	1.132

The study sought to examine the respondent's level of agreement or disagreement on the various measures of management support. Table 4.2 presents the relevant results which show that on a scale of 1 to 5 (where 1= strongly disagree and strongly agree=5) the means and standard deviations were; managers provide individuals and teams with clear, constructive feedback 4.16, managers define and communicate clear performance objectives and standards 4.21,managers review performance and deliver incentives in a fair and consistent manner4.22,managers provide relevant learning and development opportunities 4.23, managers recognize and reward strong individual and team performance 4.20, managers link performance to compensation and recognition 4.24 and managers identify clear career progress routes for employees 4.18.

4.2.2 Financial Resources

Table 4.3 Financial Resources

Opinion Statement	Mean	Std. Deviation
Our bank allocates budget to all its departments	4.10	1.254
The management efficiently allocates its resources to the departmental heads for the purpose of accomplishing a goal	4.13	1.295
The organization has received donor support financially in implementing its strategic plans for the last 5 years	4.09	1.276
Our bank ensures efficiency in their revenue allocation	4.15	1.279
Financial controls are conducted to ensure that resources are utilized only for the purposes intended	4.14	1.225

The study sought to examine the respondent's level of agreement or disagreement on the various measures of management support. Table 4.3 presents the relevant results which show that on a scale of 1 to 5 (where 1= strongly disagree and strongly agree=5) the means and standard deviations were; our bank allocates budget to all its departments 4.10, the management efficiently allocates its resources to the departmental heads for the purpose of accomplishing a goal 4.13, the organization has received donor support financially in implementing its strategic plans for the last 5 years 4.09, our bank ensures efficiency in their revenue allocation 4.15 and financial controls are conducted to ensure that resources are utilized only for the purposes intended 4.14.

4.2.3 **Achievement of Performance Targets**

Table 4.4 Achievement of Performance Targets

Opinion Statement	Mean	Std. Deviation
There has been increase in market share	4.11	1.266
The bank has enjoyed new accounts opening	4.19	1.148
Return on assets has been improving	4.04	1.148
Return on equity has been improving	4.08	1.108

The bank has expanded in terms of new investments ventures	4.09	1.148

The study sought to examine the respondent's level of agreement or disagreement on the various measures of management support. Table 4.4 presents the relevant results which show that on a scale of 1 to 5 (where 1= strongly disagree and strongly agree=5) the means and standard deviations were; There has been increase in market share 4.11, The bank has enjoyed new accounts opening 4.19, Return on assets has been improving 4.04, Return on equity has been improving 4.08 and The bank has expanded in terms of new investments ventures 4.09.

4.3 Correlation Analysis

Table 4.5 Correlation Analysis

		Management Support	Financial Resource	Performance
Management Support	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	102		
Financial Resource	Pearson Correlation	0.347**	1	
	Sig. (2-tailed)	0.000		
	N	102	102	
	Sig. (2-tailed)	0.000	0.000	
	N	102	102	
performance	Pearson Correlation	0.871**	0.776**	1
	Sig. (2-tailed)	0.000	0.000	
	N	102	102	102

From table 4.5 it can be observed that the correlation between the independent variables and the dependent variable was high and positive at 0.871, 0.776 for management support, financial resource respectively. The interpretation was that the level of multi-collinearity between the independent variable was not very high which meant that the influence of each variable in the regression model could be estimated with low Multi-collinearity problem. The Correlation further explains that the two study variables were key determinant to performance target achievement.

4.4 Regression Analysis

4.4.1 Good-of- fit Statistics

The results in Table 4.6 indicated that the overall model was a good fit since the value of(ANOVA) F-statistic was found to be 225.365 and it p-value was found to be 0.000 which is less than the critical value of 0.05. The value of the adjusted R squared was found to be 0.899. This suggests that there is a strong relationship between resource allocation, management support, and performance. This indicates that all the variables considered cause a variation of 89.9 % on performance.

Table 4.6 Regression statistics

Model	Unstandardized Coefficients	Standardized Coefficients	t-statistic	p-value

		Std. Error	Beta		
(Constant)	1.418	0.310		4.574	0.000
Management support	0.371	0.053	0.371	7.032	0.000
Finance resource	0.254	0.044	0.254	5.824	0.000
F=> 225.365	P- Value 0.000		Adjusted R Square	0.899	

4.4.1 Management Support

From table 4.6 the regression coefficient of organizational Management support was found to be 0.371. This value shows that holding other variables in the model constant, an increase in Management support by one unit causes the bank performance to increase by 0.371 units. The value of the coefficient is also positive. The positive effect shows that there is a positive relationship between Management support and bank performance.

The coefficient was positive statistically significant with a t-statistic value of 7.032. The variable was also found to be the first most influential variable on the bank performance in Kenya. These findings supports those of Beer and Eisenstat (2010) and Ansari's (2010) who found that Management support had effect on performance. Beer and Eisenstat (2010) categorized the leadership's importance into three key roles: managing the strategic process, managing relationships, and managing manager training. Similarly, Ansari's (2010) study on just-in-time purchasing concluded that the commitment and leadership of top-level management is essential in strategy implementation. The interpretation was that Management support causes the bank performance to increase. The commercial banks in Kenya should consider the effect of Management support to their performance.

4.4.2 Finance Resources

From table 4.6 the regression coefficient of organizational Finance resource was found to be 0.254. This value shows that holding other variables in the model constant, an increase in Finance resource by one unit causes the bank performance to increase by 0.254 units. The value of the coefficient is also positive. The positive effect shows that there is a positive relationship between Finance resource and bank performance.

The coefficient was positive statistically significant with a t-statistic value of 5.824. The variable was also found to be the second most influential variable on the bank performance in Kenya. These findings supports those of Henry (2011), who found that Finance resource can have effect on performance. According to Henry (2011), resources are considered the ultimate source of sustainable value creation. Effective management plays a major role to ensure proper utilization at the right time and setting. While resources are important their existences per se do not confer any benefit to the organization. Competences are the attributes that a company requires to be competitive in a highly turbulent and hyper competitive environment. Implementation of strategy test the ability to allocate resources, design structures and systems, formulate functional objectives and plan for operational effectiveness. The interpretation is that Finance resource causes the bank performance to increase. The commercial banks in Kenya should consider the effect of Finance resource to their performance.

5.0 SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary of the findings

The measurers of management support were found to be of good reliability that allowed the researcher to proceed to the actual data collection, qualitative and inferential analysis. All the measurers of Management support were found to have effect on the commercial bank performance as shown by the various responses from the respondents that were presented using table. This variable was found to have a positive effect from the regression model on commercial bank performance. This meant that increase in Management support caused an increase in commercial bank performance in Kenya.

The measurers of finance resource were found to be of good reliability that allowed the researcher to proceed to the actual data collection, qualitative and inferential analysis. All the measurers of finance resource were found to have effect on the commercial bank performance targets as shown by the various responses from the respondents that were presented using table. This variable was found to have a positive effect on commercial bank performance. This meant that increase in finance resource caused an increase in commercial bank performance in Kenya.

5.2 Conclusion

Based on the findings the study concluded that management support and financial resources in Kenya had an influence on commercial bank performance. The findings that, management support and financial performance had a positive effect on commercial bank performance were good indications that increase in either management support or financial resource would cause the performance of the commercial bank in Kenya to increase to. This meant that improving management support would have a positive effect on commercial bank performance. This variable was found to have a positive and a statistically significant effect on commercial bank performance.

The study further concluded that finance resource in Kenya has an influence on commercial bank performance.

5.3 Recommendation

5.3.1 Management support

Given that management support was found to be a key determinant of commercial bank performance, the owners of the commercial bank in Kenya should ensure that management support is enhanced. Commercial bank in Kenya should therefore come up with strategies to train the management teams to improve their performance. Since the results showed that management support caused the tendency for the commercial bank to perform better, these commercial bank should come up with ways and strategies that help them to perform better. The government authorities should come up with proper ways of ensuring that the commercial bank have put in place regulations to ensure that those in the management team are qualified to manage the banks resources.

5.3.2 Finance Resource

Given that finance resource variable was found to be a key determinant of commercial bank performance, the owners of the commercial bank in Kenya should allocate enough financial resources to enhance performance. Commercial bank in Kenya should therefore come up with more innovative ways of mobilizing resources. Since the results showed that, these commercial bank should come up with ways and strategies that help them to perform better. The relevant authorities should come up with proper ways of ensuring that the commercial bank have managers who are to mobilize resources for their firms.

5.3.3 Area for further research

Future research should be directed towards identifying more management factors that affect commercial bank performance. From the regression model it was noted that the variables included were only able to explain 89.9 % of the variation in commercial bank performance. This study therefore recommends the improvement of this model by including more variables that are relevant in explaining the variation some of which have been mentioned above. This paper also recommends further research to include studies in other organizations apart from the commercial banks. These studies would include institutions such as insurance firms and microfinance institutions.

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