THE INFLUENCE OF STRATEGIC PLANNING ON PERFORMANCE OF COMMERCIAL BANKS IN KENYA: A CASE STUDY OF BARCLAYS BANK OF KENYA LTD

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ABSTRACT

Strategic planning has been associated with the field of strategic management from its earliest foundations. Strategic planning has also been known under various labels encompassing "long range planning", "corporate planning", "strategic management" in addition to "strategic planning". The banking industry in Kenya has been characterized by high performance compared to Banks in the East African Region. The high performance has contributed to 17% increase in the Gross Domestic Product making the sector the important in job creation and economic development. Sampling frame will be sourced from the human resource department of these Commercial Banks. The study will use stratified random sampling procedure to select a sample that represents the entire population. Primary data will be collected for the purpose of this study. This will be done using a self-administered questionnaire available in the appendix. The questionnaire will be semi-structured, having both open-ended and closed-ended questions. The questionnaire will be divided into two parts. The objective of the first part will be for getting the demographic information of the staff members that will be deemed relevant for the study. The second part of the questionnaire will be used to examine the effects of strategic planning on performance of commercial banks. Secondary data will be collected from the websites of the various companies, journals and relevant texts. The pilot study was conducted using five firms within the targeted companies. The secondary data collected during the pilot study was not be used in the final data analysis. The purpose of the pilot study will be to establish the accuracy and appropriateness of the research. After the pilot study the main survey will follow. This will facilitate the necessary revision and modification of the research instrument thereby enhancing validity. Reliability of the data will be enhanced through a pilot study that will be conducted on the listed commercial Banks in Kenya.

Key Words: *strategic planning, performance, commercial banks, Kenya, Barclays Bank Ltd.*

Introduction

Johnson and Scholes (2002), view strategy as the direction and scope of an organization over the long-term, which achieves advantage for the organization through its configuration of resources within a changing environment, and fulfill stakeholders' expectations. Andersen (2004) argues that if a firm wants to remain vibrant and successful in the long run, it must make impact assessment of the external environment, especially such relevant groups as customers, competitors, consumers, suppliers, creditors and the government and how they impact on its operations success is dependent on productivity, customer satisfaction and competitor strength.

Strategic planning has been associated with the field of strategic management from its earliest foundations. These early developments significantly include those of Andrews, Learned *et al.*, (2009) and of Ansoff (2005). Strategic planning has also been known under various labels encompassing "long range planning", "corporate planning", "strategic management" in addition to "strategic planning" (Ansoff*et al.*, 2004). From the perspective of classical strategic management theory, "strategy is considered a deliberate planning process (formal), initiated by top management (top-down), based on an elaborate industry analysis (rational) and aimed at designing a cohesive grand strategy for the corporation (consistency)" (Mintzberg and Lampel, 1999). These authors and others (see for example Mintzberg and Lampel, 1999) point out that when the term strategic planning is used the intent is to convey that a firm's strategic planning process involves explicit systematic procedures used to gain the involvement and commitment of those principal stakeholders affected by the plan.

As much as strategic planning is important, what is of more importance is how it is practiced in the different institutions. It is no wonder to find institutions going for seminars, workshops and even involving consultants to help these institutions to formulate strategies! The main aspects of strategic planning will be in its formulation, implementation and the evaluation of the strategy and the objectives. Institutions can thus be seen to practice strategic planning in some of the following ways: The way they do the situation analysis where they address the question 'where are we now? How they come up with the mission and vision for the institution, and the question addressed is 'where do we want to be? What the institution hopes to do to get where they would want to be. This will be addressed by having strategic objectives.

The practices affected by an institution are likely to affect its performance. To create performance measures, it is important to first reconnect with the institution's mission and stakeholder expectations, and considers what results are being measured and rewarded in the institution. Once the current measures are identified, consider how those measures might be changed to provide a clearer picture of the results achieved, and how those results relate to the mission and stakeholder expectations. Performance of an institution can be measured in terms that are both relative and absolute. Strategic planning practices will therefore aid an institution in its performance. Performance can thus be seen as the manner in which an institution carries out

its duties. Some years back, performance was taken for granted, it is until recently that institutions have seen the need, the importance and value of strategic planning practices. Some of these institutions are adopting these practices, but how they do it is still not clear.

From the half year 2011 performance of commercial banks in Kenya, it has been observed that the total banking sector deposit accounts was 12.8 Million from 10.1 Million. Co-op registered a growth of 57% and now has 2.2 Million accounts, (CBK, 2012). Equity with 6.3 Million accounts, a 28% growth, accounts for 49% of all accounts. From the 1st Quarter 2011, The Co-operative Bank of Kenya (Co-op) managed to move above Standard Chartered Bank of Kenya (SCBK) into position 4 in Profit Before Tax. Co-op's Kshs. 4.1 Billion, a 42% rise from the 2010 half year, was significantly more than SCBK's Kshs. 3.5 Billion, a slump of 14%. The Top 3 positions remained unchanged from the 1st Quarter results. Equity Bank, Kenya Commercial Bank (KCB) and Barclays Bank of Kenya (BBK) occupied the Top 3 positions with Profit before Tax figures of Kshs. 5.84 Billion, Kshs. 5.74 Billion and Kshs. 5.35 Billion respectively. Pre-tax profitability for the total banking industry for the half year period to 30th June rose 16.9% to Kshs. 40.8 Billion. The Top 5 Listed Banks (Henceforth referred to as 'The Top 5') though grew at a much faster pace than the industry as a whole. Profitability grew 24.2% from Kshs. 19.8 Billion to Kshs. 24.5 Billion, (CBK, 2011).

Barclays Bank of Kenya (Ltd)

Barclays Bank is one of the leading banks in Kenya having opened its doors in 1916. Barclays Bank of Kenya is currently the largest business unit in the Barclays Africa family in terms of contribution to profit and size of operations, (CBK, 2012). In Kenya, it boasts of a balance sheet worth US$ 1 billion, which is equivalent to 10% of the country's GDP. Barclays Kenya was listed on the Nairobi Stock Exchange in 1986 and currently has 34,000 shareholders. Barclays has the largest range of card products offering in the market and holds the largest market share. The bank's financial performance over the years has built confidence among the 48,000 shareholders, with a reputation as one of the leading blue chip companies on the Nairobi Stock Exchange, (NSE, 2012). Barclays has provided custodial and securities services to major institutional investors since it was started 300 years, (Barclays Bank Annual Report 2009).

From the Central Bank's Banking Supervision Survey Report, 2011, the Barclays bank of Kenya has one seventeen branches around the country of Kenya. The financial service of this bank is of international standards. The bank is a leading institution in matters of retail market in Kenya. Almost 30% of the retail market share of Kenya is under the control of Barclays. Computer and web linkage in all the branches help in the smooth transactions within all the branches. The highest number of Automated Teller Machines in Kenya belongs to the Barclays bank. Barclays has established an extensive network of over 117 outlets with 215 ATMs spread across the country

Barclaycard has over 60 percent of the Kenyan credit card market and is the largest issuer of credit cards in Europe with over 10 million cards in circulation. The company operates in 62 countries worldwide -- 28 countries in Africa, (KNBS 2011).

Barclays bank in Kenya has been very instrumental in employment creation in the country. It has contributed immensely to the economic growth by effectively participating in the financial sector. From the time when the bank started as the bank has come a long way to become a significant player in the banking industry especially with regard to its Barclaycard orientation.

Statement of the Problem

Data available from Kenya National Bureau of statistics reveal that Kenya banking industry has been earmarked as a key pillar to the achievement of vision 2030 (ROK, 2012).This is a revelation of the contribution of the sector to the economy (CBK, 2011). The characteristics of the banking industry reveal that success has been associated with long-term strategy to achieve sustainable growth by year 2030 through increased savings, encouraging Foreign Direct Investment (FDI), safeguard the economy from external shocks as well as propel Kenya to become a leading financial center in Eastern and Southern Africa (KNBS, 2011). According to statistics available, Kenya Banking industry ranks number one in East Africa (CBK, 2011). The data above show that the industry is an important sector that can call for research to be undertaken.

Statistics available from Central Bank's Banking Supervision Survey Report (2011) indicates that Barclays Bank's profit before income tax for the year 2012 grew by 11.7% up from Kshs 10.78 billion to Kshs 12.01 billion ahead of Equity Bank and Kenya Commercial Banks, respectively. Further, the report cited Barclays Bank to have an asset base worth 167.03 billion making it the most stable Bank in Kenya in terms of assets, (KBA, 2012). This statistics indicate that Barclays Bank has been a success case study.

Documented report available from regulator of Kenya Banking industry show that Barclays was awarded 2012 Banking Awards sponsored by Think Business Magazine (CBK, 2012). The information available from statistics of the CBK dated 2012 show that Barclays banks has the following awards which include ; The Best Bank Tier ranked together with two other top successful Banks (Equity Bank Kenya Ltd and Standard Chartered Bank (KBA, 2012). Globally the information available has shown with statistics that internationally Barclays Bank has the following awards; Employer of the year 2011, Bank of the year Award 2011 (KBA, 2012). Would strategic planning be source of the success behind Barclays banks.

From the literature reviewed shows a knowledge gap existing in emergent economies for instance Kenya, where there is limited both theoretical and empirical review about strategic planning in the banking industry. However, the study seeks to explore effects of strategic planning on performance of Barclays bank (K).

General Objective

The broad objective of the study will be to investigate the effects of strategic planning on performance of Barclays bank (K).

Specific Objectives

1. To determine the influence of managerial factors on the performance of Barclays bank (K).
2. To establish how organizational factors influences the performance of Barclays bank (K).
3. To find out the influence strategic planning management element has on the performance of Barclays bank (K).
4. To assess the influence of planning element on the performance of Barclays bank (K).

Theoretical Review

Theory of Strategic Balancing

Strategic balancing is based on the principle that the strategy of a company is partly equivalent to the strategy of an individual. Indeed, the performance of companies is influenced by the actors' behavior, including the system of leaders' values (Hendrickx, 2000). Further to an empirical study on technological alliances, Aliouat deduced the principle of the strategic balancing according to which a technological alliance generates paradoxes and lives by its paradoxes. An alliance wavers between multiple antagonistic poles that represent cooperation and competition. This gives room to various configurations of alliances, which disappear only if the alliance swings towards a majority of poles of confrontation.

The strategic balancing gathers three models, namely the relational, symbiotic and deployment models. Competition proves to be part of the relational model and the model of deployment. It can be subject to alternation between the two antagonistic strategies, the one being predominantly cooperative as described by the relational model and the other being predominantly competing as characterized by the model of deployment. The company can then take turns at adopting the two strategies in order to keep their alliance balanced. This idea is very close to that of Bengtsson & Kock (2000), according to whom there are three types of competitive relationships: competition-dominated, cooperation-dominated, and equal relationships. The latter is similar to the alternation between the relational model and the model of deployment described by Aliouat, (2006).

Owing to the fact that specific developments in the business environment need to be closely monitored, it is imperative that senior corporate intelligence professionals think in terms of integrating competitive intelligence work with marketing intelligence work.

It is useful to reflect on the various contributions a number of competitive intelligence experts have made to the subject matter. For example, Prescott & Bhardwaj (1995) make reference to the fact that a competitive intelligence programme is composed of four interrelated components: administration, personnel, core tasks, and outcomes. A key point to emerge from the work of Prescott & Bhardwaj (1995) is that senior managers need to think in terms of developing an organizational structure that meets the unique needs of the organization.

Other important points to emerge from the literature are that strategic planning programmes need to provide an understanding of the industry itself and the type of competitors operating in the industry; areas of vulnerability need to be identified; and the possible moves of competitors need to be evaluated in order to understand how industry dynamics might change (Prescott, 1995). The relevance of a competitive intelligence industry specific approach has been highlighted by Marceau & Sawka (2001).

Herring (1999) applied the key intelligence topics (KIT) process in order to identify and prioritize the key intelligence needs of senior management and the organization itself. This ensured that intelligence operations were effective and appropriate intelligence was produced. Herring's (1999) approach is useful because it allows corporate intelligence staff to identify strategic issues and as a result senior management can ensure that actionable intelligence results. The other advantages are that an early warning system can be put in place and this will allow potential threats to be identified; and further, key players can be identified and monitored (Herring, 1999).

This type of approach can be regarded as both logical and necessary with respect to the international marketplace. For example, Tessun (2001) has outlined how staffs at Daimler-Benz Aerospace use a scenario methodology to produce a strategic early warning system that underpins the production/modification of business plans and strategies. This reinforces the point made earlier that corporate intelligence staffs need to be concerned with theory building. This view can be defended on the basis that senior managers within the organization are demanding informed/accurate intelligence, and are requesting that it is made available at the earliest opportunity.

Porter's Generic Strategy

Generic strategies can be successfully linked to organizational performance through the use of key strategic practices. Porter's (1985) generic strategies of low cost, differentiation, focus and combination strategies are generally accepted as a strategic typology for organizations.

Porter's, (Porter, 1985) view that low cost and differentiation are discrete ends of a continuum that may never be associated with one another has sparked much conceptual debate and empirical research. This debate may have been encouraged in part because of the absence of conceptual building blocks supporting his value system theory. Scholars have since developed theory to counter Porter's view, suggesting that low cost and differentiation may actually be

independent dimensions that should be vigorously pursued simultaneously (Hill, 1998; Murray, 1988). Although many firms pursuing cost and differentiation simultaneously may become stuck in the middle, there is clear evidence to suggest that at least some firms have been successful in achieving superior economic performance by pursuing both advantages.

It is commonly suggested that information strategy planning must not be isolated from strategic business thinking (Davenport (2000). Rather, information strategy has to be mutually aligned with business strategy. On the one hand, business strategy places requirements on the information strategy. On the other hand, information technology may enable new ways of doing business which must be considered in the information strategy. Thus, a thorough analysis of the organization's business strategy is necessary.

Marketing staff in particular are confronted with many issues and are at present confronting such issues as speed to market and shorter product life cycles. Pepper (2001) has indicated that as well as speed to market, senior management at Procter and Gamble also had to address the broader issue of how to innovate. It is because of such issues as these that marketing staff need to think in terms of deploying the strategic marketing concept (Aaker, 1998).

Empirical Review

According to Moss & Warnaby (2000), Strategic Planning is the process undertaken to develop a range of steps and activities that will contribute to achieving the organizational goals and objectives. Strategic planning is a management tool used to turn organizational dreams into reality. Strategic planning attempts to systematize the processes that enable an organization to attain its set goals and objectives. There are five general steps in the strategic planning process: goal/objective setting, situation analysis, alternative consideration, implementation and evaluation, (Moss & Warnaby 2000).

In today's highly competitive business environment, budget –oriented planning or forecast-based planning methods are insufficient for organizations to survive and prosper, (Tessun, 2001). The firms must engage in strategic planning that clearly defines objectives and assesses both the internal and external situation to formulate strategy, implement the strategy, evaluate the progress, and make adjustments as necessary to stay on track. The way in which the strategy is implemented can have a significant impact on whether it will be successful. In a large company, those who implement the strategy likely will be different people from those who formulated it. For this reason, care must be taken to communicate the strategy (Lynch 1997)).

An effective strategic planning system looks at the long-term, mid-range strategic goals and the operational plans. In order to facilitate this activity those involved in the strategic planning process, collect data, forecast, model, and construct alternative scenarios. The standard approach to strategic planning incorporates an external environment analysis to identify the opportunities open to improve the organizations business and threats that can be a potential hindrance to its business. It also includes an internal analysis to identify the organizations strengths that can

improve its performance and weaknesses that can be deterrent to its performance (Pearce and Robinson, 2009).

The result of a strategic planning process is a blue print that defines organizational activities and allocation of resources that are required to accomplish organizational strategic objectives. Strategic planning practices can either be emergent (evolutionary) or deliberate (formal). The strategic planning process however, is not without challenges. Some of these challenges emerge from within the organization like resource constraints; how competent the organization is to effectively and efficiently undertake strategic planning- This calls for the organization to look to their internal resources for sources of competitive advantage. Some of the challenges emerge from the external environment like rapid change of technological innovations. Here the organization has to be agile and flexible in terms of both strategic planning and structure (Pearce and Robinson, 2009). There a number of factors that affects strategic planning in organizations. This study will review the existing literature in terms of leadership, stakeholders, implementation measures and institutional factors to produce a framework of the factors that affect strategic planning in the hotel industry.

Research Design

According to Kothari (2008) a research design is the "arrangement of conditions for collection of analysis of data in a matter that aims to combine relevance to the research purpose with economy in procedure". The research design is the conceptual structure within which research is concluded, it constitutes the blue print for the collection, measurements and analysis of data. Methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. It is the various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them. Descriptive research designs are normally restricted to fact finds, but may often result in the formulation of important principles of knowledge and knowledge and to significant problem. They are more than just collection of data. They involve measurement, classification, analysis, comparison and interpretation of data. The study adopted Descriptive Research Design to support and meet the objectives of the research. The descriptive design is flexible and expansive enough to various field challenges that could arise during administration of questionnaire and data interpretation, (Kombo & Tromp 2006).

Target Population

Lavrakas (2008) defines a population as any finite or infinite collection of individual elements. Hyndman (2008) describes a population as the entire collection of 'things' in which we are interested. According to Zikmund, *et al* (2010) and Kothari (2004), a population refers to all items in any field of inquiry and is also known as the 'universe'. Polit and Beck (2006) refer to population as the aggregate or totality of those conforming to a set of specifications. The target

population for this study was the 579 managers of Barclays Kenya Ltd as at 31st December 2011 which shall include top management level, middle management level and lower level management levels. This is because the managers are in a good position to provide the required information on the strategic position of the bank.

Sampling Technique

The study used stratified random sampling procedure to select a sample that represents the entire population. According to Kothari, (2004), a stratified random sample is used when the population is not homogeneous, making it the appropriate sampling technique. The sampling stratum was based on the various levels of management in Barclays bank (K) which include: Top level managers, middle level managers and low level managers. The researcher will proportionately select 10% of staff in each stratum as follows: The sample was composed of 10% of the accessible population. Mugenda & Mugenda (1999) suggest that a good sample is about 10% -30% of the accessible population. A sample should also be optimum; one which fulfils the requirements of efficiency, reliability and flexibility in terms of costs (Kothari, 2007).

Data Collection Procedure

Primary data was collected for the purpose of this study. This was done using a self-administered questionnaire available in the appendix. The questionnaire was semi-structured, having both open-ended and closed-ended questions. The questionnaire was divided into two parts. The objective of the first part was for getting the demographic information of the staff members that was relevant for the study. The second part of the questionnaire was used to examine the effects of strategic planning on performance of Barclays bank. Secondary data was collected from the websites of the various companies, journals and relevant texts.

Research Instrument

This study utilized a questionnaire to collect primary data as used in various previous research s (Lumpkin & Dess, 2001). The questionnaire designed in this study comprised of two sections. The first part included the demographic and operational characteristics designed to determine fundamental issues including the demographic characteristics of the respondent. The second part was devoted to the identification of strategic planning factors influencing Barclays Bank's Performance, where the four variables of the study were put into focus.

Data Quality and Analysis

Ordinarily, the amount of data collected in a study is rather extensive and research questions and hypotheses cannot be answered by a simple perusal of numeric information and therefore data needs to be processed and analysed in an orderly and coherent fashion. Quantitative information

is usually analysed through statistical procedures. Statistical analyses cover a broad range of techniques, from simple procedures that we all use regularly to like computing an average to complex and sophisticated methods. Although some methods are computationally formidable, the underlying logic of statistical tests is relatively easy to grasp, and computers have eliminated the need to get bogged down with detailed mathematical operations (Polit and Beck, 2006). Analysis was done using SPSS software. Multiple regressions, ANOVA test will be used to determine the effect of dividend policy on stock prices.

$$\mathbf{Y' = A+b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4}$$

Where: Y'=Dependent variable and X_1, X_2, X_3 and $\mathbf{X_4}$ are the four independent variables

Where:

Y' - Performance

X_1- Managerial factors variable

X_2- Organizational factors variable

X_3- Strategic management element (visions and mission) variable

X_4- Planning element (horizon, flexibility, intensity and locus) variable

b_1, b_2, b_3 and b_4 = the variable coefficients.

Research Findings

Regression Analysis

In addition, the researcher conducted a linear multiple regression analysis so as to test the relationship among variables (independent) on the firm's performance. The researcher applied the statistical package for social sciences (SPSS) to code, enter and compute the measurements of the multiple regressions for the study.

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.809	.786	.233	.2114

Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (Firm performance) that is explained by all the four independent variables

(Managerial factors, organizational factors, strategic management element and planning element).

The four independent variables that were studied, explain only 78.6% of the firm performance as represented by the R^2. This therefore means that other factors not studied in this research contribute 21.4% of the firm performance. Therefore, further research should be conducted to investigate the other factors (21.4%) that affect firm performance.

Table 2: ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.342	4	.254	53.1233	.0000
	Residual	99.970	93	1.244		
	Total	109.685	97			

The significance value is .0000 which is less that 0.05 thus the model is statistically significant in predicting managerial factors, organizational factors, strategic management element factors and strategic planning element factors. The F critical at 5% level of significance was 3.23. Since F calculated is greater than the F critical (value = 12.204), this shows that the overall model was significant.

Table 3: Coefficient of determination

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.976	1.384		0.978	0.003
	Managerial factors	0.877	0.159	0.897	0.997	0.000
	Organizational factors	0.588	0.085	0.455	0.707	0.005
	Strategic Management Element Factors	0.705	0.145	0.326	0.769	0.002
	Strategic Planning Element Factors	0.299	0.210	0.297	0.539	0.008

The researcher conducted a multiple regression analysis so as to determine the relationship between v and the four variables. As per the SPSS generated table 4.8, the equation ($\mathbf{Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon}$) becomes:

$$Y= 2.976 + 0.877X_1+ 0.588X_2+ 0.705X_3+ 0.299X_4 + \varepsilon$$

Where Y is the dependent variable (Firm Performance), X_1 is the Managerial factors variable, X_2 is Organizational factors variable, X_3 is strategic management element factors variable and X_4 is strategic planning element factor.

According to the regression equation established, taking all factors into account (managerial factors, organizational factors, strategic management element factors and strategic planning element factors.) constant at zero, Firm Performance will be 3.804. The data findings analyzed also show that taking all other independent variables at zero, a unit increase in Managerial factors will lead to a 0.877 increase in firm performance; a unit increase in Strategic management element factors will lead to a 0.588 increase in Firm Performance, a unit increase in strategic planning element factors will lead to a 0.97 increase in firm performance. This infers that managerial factors contribute more to the firm performance followed by strategic management element factors.

At 5% level of significance and 95% level of confidence, managerial factors had a 0.000 level of significance; organizational factors showed a 0.005 level of significant, strategic management element factors showed a 0.002 level of significant, strategic planning element factors had a 0.008 level of significant; hence the most significant factor is managerial factors.

Summary of the Findings

The study aimed at assessing the influence of strategic planning on performance of Barclays bank (K).

Managerial factors

The study found out that managerial factors influenced financial performance in the organisations to a very great extent; that the greater the perceived importance of the strategic planning process, the greater is management's satisfaction with the your organization's financial performance as shown by a mean of 4.0; that management in your organization has the ability to forecast sales, customer preferences, and technology trends as shown by a mean of 4.0; that the stronger the management's beliefs that strategic planning results in better financial performance, the better the organization's financial performance as shown by a mean of 3.7; that management in your organization has the expertise to effectively carry out the process as shown by a mean of 3.6; and that management involved in strategic planning in your organization should be devoted to ensuring that the process is carried out comprehensively, very little or no attention was paid to whether or not as shown by a mean of 3.6.

Organizational factors

The study found out that organizational factors influences financial performance; that structural complexity (caused by increased diversification) and size are primary determinants of why organizations engage in strategic planning to a great extent as shown by a mean of 4.4; that in a condition, with a proper structure of organization along with a strong leadership who has a predefined vision and explicit organizational culture, a successful strategic planning process can be set going to a great extent as shown by a mean of 4.3; that organizational factors are a determinant of the extent to which banks engage in the strategic planning process to a great extent as shown by a mean of 4.0; and that in addition to being a proposed determinant of strategic planning intensity, firms size is also proposed to have a direct effect on financial performance in organizations, through economics of scale and market power to a great extent as shown by a mean of 3.7.

Strategic management element

The study found out that strategic management element factors influences firms performance to a very great extent; that firms develop scanning mechanisms that focus on detecting shifts in environmental trends that provide opportunities for new products and services to a great extent as shown by a mean of 4.7; that the more clearly articulated the strategy, the greater the resistance to change due to the development of both psychological and organizational momentum to a great extent as shown by a mean of 4.1; that planning flexibility and the process of strategic management in place may undermine the effectiveness of conservative less growth oriented firms to a great extent as shown by a mean of 4.0; and that planning system in place should be flexible and be designed subject to changes that may remove a potential obstacle to change when it is needed to a great extent as shown by a mean of 4.0

Planning element

The study found out that the length of planning affects the financial performance of the organisation; that the organisations used a planning horizon of 1 to 3 years to a great extent as shown by a mean of 3.9; that organisations used a planning horizon of 3 to 5 years to a great extent as shown by a mean of 3.7; that organisations used a planning horizon of less than 1 year to a great extent as shown by a mean of 3.6; and that organisations used a planning horizon of more than 5 years to a great extent as shown by a mean of 3.4. The study also found out that employees were involved in strategy formulation to a great extent as shown by a mean of 4.0; that they were involved in evaluation and control to a great extent as shown by a mean of 3.7; that they were involved in goal formation to a great extent as shown by a mean of 3.6; that they were involved in scanning the business environment to a great extent as shown by a mean of 3.6; and that they were involved in strategy implementation to a great extent as shown by a mean of 3.5.

Conclusions

The study concludes that managerial factors influenced financial performance in the organisations to a very great extent; that the greater the perceived importance of the strategic planning process, the greater is management's satisfaction with the your organization's financial performance; that management in your organization has the ability to forecast sales, customer preferences, and technology trends; that the stronger the management's beliefs that strategic planning results in better financial performance, the better the organization's financial performance; that management in your organization has the expertise to effectively carry out the process; and that management involved in strategic planning in your organization should be devoted to ensuring that the process is carried out comprehensively, very little or no attention was paid to whether or not.

The study concludes that organizational factors influences financial performance; that structural complexity (caused by increased diversification) and size are primary determinants of why organizations engage in strategic planning to a great extent; that in a condition, with a proper structure of organization along with a strong leadership who has a predefined vision and explicit organizational culture, a successful strategic planning process can be set going to a great extent; that organizational factors are a determinant of the extent to which banks engage in the strategic planning process to a great extent; and that in addition to being a proposed determinant of strategic planning intensity, firms size is also proposed to have a direct effect on financial performance in organizations, through economics of scale and market power to a great extent.

The study concludes that managerial factors influences firms performance to a very great extent; that firms develop scanning mechanisms that focus on detecting shifts in environmental trends that provide opportunities for new products and services to a great extent; that the more clearly articulated the strategy, the greater the resistance to change due to the development of both psychological and organizational momentum to a great; that planning flexibility and the process of strategic management in place may undermine the effectiveness of conservative less growth oriented firms to a great extent; and that planning system in place should be flexible and be designed subject to changes that may remove a potential obstacle to change when it is needed to a great extent.

The study concludes that the length of planning affects the financial performance of the organisation; that the organisations used a planning horizon of 1 to 3 years to a great extent; that organisations used a planning horizon of 3 to 5 years to a great extent; that organisations used a planning horizon of less than 1 year to a great extent; and that organisations used a planning horizon of more than 5 years to a great extent. The study also concludes that employees were involved in strategy formulation to a great extent; that they were involved in evaluation and control to a great extent; that they were involved in goal formation to a great extent; that they were involved in scanning the business environment to a great extent; and that they were involved in strategy implementation to a great extent.

Recommendations

The study recommends that since managerial factors influenced financial performance at Barclays Kenya Limited to a very great extent, the strategic planning process should be viewed as an important aspect. It should also be used to better the organization's financial performance. Barclays should ensure its management has the expertise to effectively carry out the strategic planning process and should be devoted to ensuring that the process is carried out comprehensively.

The study also recommends that since structural complexity (caused by increased diversification) and size are primary determinants of why organizations engage in strategic planning Barclays should ensure it has a proper organizational structure along with a strong leadership that has a predefined vision and explicit organizational culture, to ensure a successful strategic planning process.

The study recommends the firm develop scanning mechanisms that focus on detecting shifts in environmental trends that provide opportunities for new products and services; ensure the strategy is clearly articulated, ensure planning flexibility and also ensure the planning system in place is flexible and designed subject to changes.

The study also recommends that employees be involved in strategy formulation to a great extent; in evaluation and control; in goal formation to a great extent; in scanning the business environment and also in strategy implementation.

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