Implementation of expansion strategy at KCB group public limited company

Daniel Omulindi Ate[1] and Vincent Machuki[2]
[1,2]School of Business, University of Nairobi, P.O Box 30197, Lower Kabete road
Corresponding email: atedante@yahoo.com

Abstract
The objectives of the study were to establish the approaches of implementing expansion strategy at KCB Group PLC, to determine challenges of implementing expansion strategy and to determine measures to deal with the challenges. The study was anchored on Institutional Theory, Resource Based Theory as well as Industrial Organization (IO) economics theory. The target population of the study was the KCB Group Plc top management, middle management and junior staffs. This research design was a case study where interview guide was employed to collect data. Content analysis method was used to analyse the data collected. Both primary and secondary data were used which made the base of content analysis. The study concludes that the expansion strategy implementation at KCB Group PLC uses balanced score card to operationalize the specific objectives. Each department is allocated timelines and targets in order to implement the proposed expansion strategy. Training is used as a tool to align the bank's structure and culture to strategy implementation. The challenges included the poor internal communication within the bank, lack of ownership of the strategy implementation mostly by the junior staffs due to inadequate information on what is expected from them, insufficient allocation of resources more so the human resource, harsh operating environment due to the happening in the industry such as the interest capping regime in the Kenyan market which is the largest, flawed objectives setting process, lack of feedback mechanism and follow up on the implementation process, low staff commitment and resistance to change by the employees. The study recommends proper training in order to align culture and structure of the bank to the expansion strategy implementation, and for the staff to get more committed and own the process. A research department to be set up to work hand in hand with the strategy department in order to assess the outcomes, then feedback to be relayed to all employees.
Key words: *Expansion Strategy; KCB Group; Public Limited Company*

1.0 Introduction

1.1 Background of the Study

Strategy is a documented plan of how an organization sets out to achieve its goals. According to Yabs (2007), organizational strategies are pointed towards achieving predefined objectives and goals. Implementation of such strategies involves putting to action the plans, which ought to result in achievement of strategic goals (Lynch, 2009). Virtually every business enterprise starts to ground and seek to grow as a long-term goal to avoid annihilation in a competitive market and banks aren't an exception. Expansion strategies fall in the corporate level strategy as they relate to choices of product and markets for an organization. The selection of the possible expansion strategy for any organization lays focus on its vision and objectives. Expansion strategy for any enterprise has to take in to account creation of profitable growth, sustenance of that growth and how to establish growth oriented culture. The central concern around expansion strategy is the successful implementation of the chosen strategy toward realization of profit growth and that requires four foundational elements: governance, organization structure, incentive and rewards and an appropriate information system (Deloitte, 2015).

Andrews (1980) defines strategy as the pattern of decisions in a company that determine and reveal its objectives, purposes, or goals, produces the principal policies and plans toward the goals, and defines the range of business the company is to pursue, the intended kind of economic and human organization and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities. The foregoing definition of strategy draws from

Mintzberg's attention to pattern, plan and perspective. He argues that strategy shows up over time as intentions colliding with and accommodating a changing reality (Mintzberg, 1994). Strategy, therefore, has no existence away from the ends sought. It is a general framework towards for actions to be taken and, at the same time, shaped by the actions taken- the end in this consideration being business expansion. Managers tend to lay emphasis on developing strategy more than they do about implementing it (Hrebiniak, 2006). The efficacy in the whole process of planning diminishes in the event that the formulated strategies are not successfully implemented (Siddique and Shadbolt, 2016).

Notably, 70 percent of organizations' new strategies fail at implementation (Franklen et al., 2009). According to Johnson (2004), 66 percent of corporate strategy is never implemented. According to Kaplan and Norton (1996), 95 percent of a company staff aren't aware of or don't comprehend their company strategy. The frequently used frameworks by researchers and managers for strategy analysis and formulation include SWOT analysis (Okumus, 2003), Porters's generic strategies and portfolio models (Wheelen & Hunger, 2012). Conversely, there isn't a singled out predominant framework for the concept of strategy implementation (Siddique & Shadbolt, 2016).

This study on strategy implementation was anchored on Institutional Theory (Scott, 1995), Industrial Organizational (IO) economics Theory and Resource Based Theory (Wernerfelt, 1984). Institutional theory offers an explanation of why organizations behave the way they do. Industrial Organisational (IO) economics Theory considers an external market alignment and lays focus on the product side – in which competition matters are analysed, particularly considering that market power exists either in the credit market or in the deposits market, or both. Issues of imperfect competition in the banking industry dominate this line of thought. Resource Based Theory on the other hand highlights an organization's internal conditions and resources.

In a highly competitive market space, KCB Group PLC has been on a growth path since its founding and now towers as the East Africa's largest bank rising above business, corporate and operational management challenges. If the last epoch in retail banking was defined by an expansion of consumer credit, the current will be defined by digital alignment. This includes rapid innovation in payments and the broader transformation in systems enabled by digital technologies. In the last decade, banking in Kenya has been characterized by growth and regional expansion, automation, globalization challenges as well as increased competition from local and international banks. In 2017, the Amendment Act set a cap and floor on loan and deposit rates respectively necessitating a re-look of strategy by banks.

KCB's mitigation path outlined enhanced focus on NFI (Non Funded Income) and the Fintech proposition, growth in market share, costs management and consolidation of international business. In its end of quarter three 2016 financial report, spelt out a five-throngedsolid foundation for the future i.e. the bank had successfully concluded the Tier 2 capital raising exercise; a solid base for 2017 growth, successful implementation of the latest version of Core Banking System, implementation of measures and strategies to deliver strong ROE >24%, enhancing Digital Finance Proposition, continued action to improve the asset quality to <6%, and consolidation and support of international businesses, (KCB 3Q

Report, 2016). Poised for further growth, the implementation of KCB's expansion strategy becomes of great interest to this study. For KCB Group PLC, the task is more than staying in business; it involves staying at the top as it grows amidst challenges and stiff competition from both local and international banks as well as braving tough economic times and regulatory environment. Its strategic direction remains in focus and particularly with regard to expansion and its implementation.

1.1.1 The Concept of Expansion Strategy

According to Westerlund and Leminen (2012), a firm's expansion strategy is the manner in which a firm plans to achieve its objective to increase in size, volume and turnover. The terms growth and expansion are used interchangeably to refer to the same idea by most scholars (Kuuluvainen, 2011; Geroski, 2005). Expansion strategy falls within an organization's business strategy, which essentially points to the coordinated initiatives meant to create superior customer value in the organization's target markets to ultimately achieve superior performance against competition (Slater et al., 2006).

Expansion strategy is an organization's attempt towards growth relative to previous performance. The dynamic business environment demands continuous adjustments in business planning and activities. Customer functions and groups as well as alternative technologies hold central to the expansion scope. Hamel and Prahalad (1994) state that in a number of organizations strategy means re-working the planning process once every business year.

In addition, usually the planning process is an effort to ensure that figures add up, typically deciding on revenue and profit growth targets for the respective year and how to achieve them. Hoffman (2000) notes that a core path to long-term success and sustainable competitive advantage of a business is driven in good part by expansion strategies.

Expansion happens by concentration, integration, diversification, co-operation, internationalization or digitalization. The choice of any one or a combination of the types of expansion is dependent on the firms' objectives and the prevailing business environment.

An organizations' preparedness comes into focus when considering successful implementation of expansion strategies. Spada (1999) points out that successful expansion of any organization depends crucially on how much a firm optimally matches its resources with the environmental contingencies. Competitive as it is, the commercial bank space remains non-zero sum environment where one players' gain does not necessarily mean another's loss in the sense that every individual banking organization's effort goes toward growth of the market space in which all of them participate.

However, with the changing business environment, globalization, competition, influence of technology and consumer changing needs and wants, it's incumbent on every bank to stay profitable and sustainable which, relies on its ability to embrace innovation as a means to achieving business advantage over competition given path dependencies and market positions (Leonard-Barton, 1992).

Implementation of a strategy is anything but a straight wide path; it's a winding difficult and time-consuming path. A common position among practitioners is that it is much easier to come up with a sound strategic plan than it is to effectively "make it happen (Charles and Gareth, 2007)." Effecting strategy and getting the organization moving in the direction of choice requires a befitting set of managerial skills.

The energy for successful strategy implementation has to be drawn from working with others, organizing, motivating, culture-building and creating strong fits between strategy and the organization's mode of operations (KIPPRA, 2013). Implementation of strategies enable organizations to increase profits, increase volume of sales, develop new products that meet consumer needs compared to competitor products and services, ability of the management to predict the future changes, and ability of the organization to accept change and work towards common organizational goal for competitive edge of the organizations in the global market (Gomez, 2001)

1.1.2 Overview of Kenya's Banking Industry

Kenya's banking industry is regulated and governed by the Companies' Act, Central Bank of Kenya Act and the Banking Act. This set of Acts together with Central bank's prudential guidelines form the check and balance environment for the Kenyan banking industry. Central Bank of Kenya is responsible for formulating and implementing fiscal and monetary policies. It is the lender of last resort, banker of all banks and ensures the proper functioning of the Kenyan financial system, the liquidity in the country and the solvency of the Kenya shilling. CBK is established under Ministry of finance. As of June 30th, 2015, CBK reported 43 licensed commercial banks, 12 microfinance banks (MFIs) and one mortgage finance company (CBK, 2015).

Three of the banks are public financial institutions with majority shareholding by the Government and state corporations. The rest are private financial institutions; 27 of which are local commercial banks while 13 are foreign commercial banks (CBK, 2015). This past decade has seen significant improvement in banks' financial performance in Kenya. The largest 10 of the represent 70 percent of the market and seven of them are local; a clear pointer to high level of competition & competitiveness and innovative agility by home-grown banks.

A significant part of the growth/expansion of market in the banking sector has been signalled by banks' progressive move toward non-traditional channels like Mobile Internet banking and Agency internet banking. The use of these alternative modes of banking was ratified by the regulator in order to increase penetration of banking services. While, in the initial instance, these services were a preserve of a few large banks, they have become a necessity that cannot be wished away by any player in the sector thus enhancing similar products and services across the industry. Between 2011 to 2015, a period characterized by high economic growth and low financial inclusion, the banking industry in Kenya was demonstrably vibrant and highly profitable with industry Return on Equity (ROE) averages on the upside of 20%.

The increase in adoption technology as well as exploration of alternative channels is notable, and in the process reaching out unbanked population efficiently, resulting in an increase in revenues and profitability. A few developments in the sector in the two years have however altered expectations to an appreciable extent. Following the changes in Central Bank leadership in 2015, the sector has witnessed the collapse of 3 banks resulting into low consumer confidence and overall strength of the sector. The introduction of interest rate cap by Central bank in August 2016 in a bid to lower interest margins and slow credit and increase in number of non-performing loans in the sector have attributed to a challenging business environment and enhanced supervision by the regulator (AIB Capital, 2017).

1.1.3 Overview of KCB Group PLC

Kenya Commercial Bank is the oldest and largest bank in East Africa. It's history dates back to 1896, establishing the first outlet in Mombasa under the name National Bank of India (NBI). National Bank of India then extended it's operations to Nairobi in 1904. The merger between Grindlays Bank and NBI was presided over in 1958, and the bank became National and Grindlays Bank (NGB). The Government of Kenya acquired a 60% stake in NGB in 1963 and proceeded to acquire full control in 1970 and the bank was renamed Kenya Commercial Bank Limited.

The government has subsequently reduced its stake in KCB from 35% to 26.2% in 2004, 23.1% in 2008 and 17.7% in 2010. KCB is listed on the Nairobi Securities Exchange, Uganda Securities Exchange, Dar-es-Salaam Stock Exchange and Rwanda Stock Exchange (Kenya Bank Credit Rating Report, 2013).

KCB has been on a growth path resolving, in 1997, to explore regional markets starting with Tanzania (11 branches so far). The Bank rebranded to KCB Bank Ltd in 2003 and in 2006, expanded to South Sudan becoming the 1st regional entrant with 20 branches across the 10 states so far. The year 2007 saw KCB set it's operations in Uganda in order to enhance cross-border operations among the three East African countries and particularly the trading partners. In 2008, the Bank set up operations in Rwanda, and has been able to open 14 branches so far. Within the same year, the Bank implemented a new core banking system, T24, which would enable the group to offer services on a one-branch banking network (every branch is your home branch) across all 5 countries. The banks drive to achieve East African Regional presence was achieved in 2012 with its entry into Burundi. Consequently, the firm's share price in the bourse doubled in excess of USD 1 Billion capital ratio and an impressive growth of 11% recorded in its books.

Strategically and operationally, KCB is stratified into four business units i.e. Corporate Banking, Retail Banking, Treasury and Mortgage Finance. Its operations is supported by a wide network of branches (regionally, 230 as at 2012) and complemented by 940 ATMs, 2600 agents across the region as well as a well-developed Internet and mobile banking services.

1.2 The Research Problem

Strategy implementation has always stood out as the essential part of the success in expansion strategy. The intensely competitive environment and swift technology- enabled change only stretches further the importance of effective strategy implementation (PMI report, 2013). However, a remarkable 70 percent of firms fail at implementing their new strategies (Franklen et al., 2009). Johnson (2004), notes that 66 percent of corporate strategy is never implemented. More often than not, a good number of strategies are not fully realised given the inability to weave through challenges, poor implementation structures and procedures. Lynch (2002) notes that unless strategy is translated to practical measures that employees can understand, its functionality and capacity to operationalize is greatly undermined, and so are its intended objectives and goals. According to Hrebiniak (2005) no business can succeed without effective strategy implementation. An understanding of the approach to expansion strategy implementation success and challenges is critical.

Expansion of a business is an imperative, however, only one in ten companies succeeds in sustained, profitable growth. The inference is that expansion is hard to achieve and a lot of companies fail to achieve value out of expansion initiatives and strategies. KCB's 2013 financial report exhibits consistent growth in revenue by the bank since the year 2009. This has been witnessed alongside business, infrastructural and operational expansion by the bank both in Kenya and East African market against a backdrop of intense competition from both local and international banks, rapid technological advancement demands and yet KCB stands out as the leader in the industry in the region. While the growth is exemplary, it takes painstaking work to stay on the growth path, which, demands that the organization stays awake to the gain-yielding process and consolidating it for more gain in order to stay on the lead as well sustainably profitable. This study seeks to understand this process with a focus on strategy implementation; both as an exemplar and internal learning procedure.

Spada (1999) points out that an optimal match between resources and an organizations environmental contingencies is a key determinant of successful expansion. This is supported by Mahasi (2016) who notes that a fairly strong relationship between organizational resources and performance (financial and non-financial) exists, the most important resources being management, human resources, physical and financial assets, ICT, capabilities, culture and brand assets. Consistent with this finding is the fact that resources and alliances determine firm's ability to access additional technological capabilities (Dussauge et al., 2000). In line with Becker & Gerhart (1996) findings, human resources improve efficiency leading to revenue growth. A number of other studies have been carried out. A study on growth related factors by Kimata (2006) identifies some of the factors influencing regional growth of banks to be the desire to follow growth in market size, competition and customers, incentives by hosting government, reduction of operational costs among others. Kimata (2003) cites political stability, access to new customers and risk exposure as factors considered by firms prior to expansion in the region. These findings are however industry-wide and do not necessarily address unique internal, managerial and external environments in which banks operate.

These previous studies considered only factors pre-elemental to growth but they don't give consensus as to which is the best approach to carry out an expansion strategy and how to best deal with the challenges thereof. This study was to give much emphasises into these. However, at the root of expansion of any organisation, strategy defines the path to the process and the success lies in the proper implementation of it. The question in this study was, how has expansion strategy been implemented at KCB Group PLC?

1.3 Research Objectives

This study was guided by the following objectives:

i. To establish the approaches of implementing expansion strategy at KCB Group PLC.
ii. To determine challenges of implementing expansion strategy.
iii. To determine measures to deal with the challenges.

2.0 Literature review

2.1 Introduction

This section delves into existing theoretical literature and practical knowledge on approaches in implementation of expansion strategy, challenges of strategy implementation and how to deal with the challenges. It reviews related literature on contributing aspects such as resources, which are both pre-elemental and consequential on the path to an organization's expansion and growth.

2.2 Theoretical Foundations

Strategy implementation has attracted enough interest both from academia and business fraternity lately. It is supported by a number of theories; however, this paper focuses on Institutional Theory (Scott, 1995), Resource Based Theory as well as Industrial Organization (IO) economics theory.

2.2.1 Institutional Theory

According to Institutional theory, rational decision-making process within an organization can be confined by formal structures, individual's commitment and behaviour within an organization (Scott, 2004). The institutional approach focuses on security and stability of relations, and homogeneity of outlook. Institutional theory presupposes that many environmental forces are not based on efficiency but social and cultural pressures towards conformity (Hinings and Tolbert, 2008). These can play a major role in either enhancing or hindering the process of implementing expansion strategy. The theory is centred on the analysis of social sources and alternatives that are bound together on an institutional framework (Scott, 2004), hence seeks to understand the basis and shaping of social choices, mediation and channelling by the institutional environment (Hoffman, 1999). Similarities and stability among organizations signal institutionalization processes at work through the effects of carriers such as culture, structures, routines and stories which can play a very major role in the implementation of expansion strategy.

2.2.2 Industrial Organizational (IO) economics theory

Industrial Organizational (IO) economics theory lays focus on an external market orientation and narrows down on the product side. IO essentially is about privileged end-product market positions and how it influences above normal future returns, hence higher perceived current firm value (Porter, 1979; Gilbert, 1989; Tallman, 1991). According to this perspective, successful expansion strategy implementation is a result of barriers to competition brought about by structure of the market. This theory therefore explains the external conditions of a firm and more specifically, the competitive environment that can affect the implementation of expansion strategy.

According to Porter (1980), the structure of the industry affects a firms' potential to implement their strategies including the expansion strategy. His framework, an influential input in the field of IO economics, helps in understanding this phenomenon and is built on the structure-conduct-performance (S-C-P) paradigm. The essence of this paradigm is that the structure of the market in which a firm competes potentially and critically affects its expansion strategy implementation process. Converse to traditional S-C-P paradigm, Porter (1980) appreciates a firms' responsibility to take charge of its economic performance and competitive advantage by formulating appropriate expansion strategy that may set the industry rules in its favour, by either affecting or deterring entry into their market. According to Wiersema (1995), the determinants of successful expansion strategy belong to the structure of the industry, particularly the nature and balance of its competitive forces rather than in the firm.

2.2.3 Resource-based Theory (RBT)

Resource-based Theory (RBT) offers the opinion a firm's competitive position can be enhanced by exploiting available resources in a manner that breeds value to the firm (Helfat and Peteraf, 2003; Barney, 1991; Penrose, 1959). It advances the idea that competitiveness and successful expansion strategy implementation lies primarily on the resource competencies or bundles that an organization possesses. It further notes that the resources are inimitable and heterogeneous in nature hence their rational combination forms basis for competitive advantage of a firm. Achieving a sustained expansion strategy demands that these resources are varied and imperfectly mobile. This makes for valuable resources that are not perfectly imitable neither can they be easily substituted. Identification of potential key resources has to be followed by evaluation by the organizations to determine suitability (Barney, 2010). In order to have a successful expansion strategy implementation, the resources ought to bear four attributes, that is, value, rarity of resources among a firms' potential competitors, inimitability and non-substitutability.

2.3 Implementation of Expansion Strategies

Strategy implementation essentially refers to the set out activities and measures undertaken by an organization to ensure that the formulated strategy is properly rolled out; goals and objectives achieved. Pearce and Robinson (2007) assert that in order to realise effective direction and controlled use of an organization's resources, control systems such as information systems, leadership styles, budgeting, assignment of key managers, organizational structure and rewards are critically essential. It involves befitting adjustments in the organization's culture and management achieved through resource mobilization, technological, policy, process and leadership modelling (Thompson & Strickland, 2003).

These can be considered under institutionalization and operationalization strategies. Chetty (2010) weighs in on the considerable factors necessary for an organization to successfully implement its strategy, that is, commitment by top executive, all and cross- level engagement, clarity in communicating a tangible strategy, cascaded levels of accountability, selection of the best people to drive key initiatives, and the ability to monitor and track progress. The choice of the strategy by an organization has to be in line with the seven factors key to the implementation of any strategy. These elements include the feedback mechanisms, organization leadership, a well-defined communication channels, structure of the company as well as the organization culture. The managerial and clerical staff members and all staff also need to be involved in expansion strategy implementation.

A new or adjusted strategy demands adjustments in its implementation process.

According to Pearce and Robinson (2011), it is prudent to layout new norms and conventions to direct its implementation. Some of the mechanisms that guide institutionalization of a strategy include: alignment of the organization's structural framework with the strategy (Johnson *et al*., 2008); choosing leaders who will give direction on implementation (Crittenden & Crittenden, 2008); developing and inculcating a culture that supports the strategy, myths and attitudes (Scott, 2004); reviewing and reinforcing policies, procedures and linking rewards to desired outcomes (Hrenbriak, 2005)

In Chakravarthy and Lorange (1991) model of strategic business development, the key concern has to be how to enhance effectiveness in implementation with a focus on accurately identifying and gathering task forces for pursuing opportunities identified in the formulated strategy. This means championing flexibility, comfort with working in "flat" organisations, agility towards constant change, embracing a certain degree of ambiguity and multiplicity of roles. For the strategic lead, a close liaison with human resource function is vital in order to have an intimate understanding of who is capable of doing what among the people in the organization for a best-fit deployment.

The ever shifting business dynamics almost always present uncertainties, proliferation of technological advances, increased competition and emergence of products and services and disappearance of others. There is need for organizations to create and tap corporate knowledge, disseminate it, and infuse it well with new offerings in the form of products and services. Management of knowledge entails creating a knowledge management team, conducting knowledge assessment and audit, ensuring that there is information technology (IT) in place to support it (Jofre, 2011). Organizations should ensure greater synergies in the way information is produced, gathered, shared and used across departments. This underscores the need for effective and deliberate communication practices with feedback processes clearly articulated. KCB's strategic expansion framework of 2015-2019 is anchored on seven key pillars and these are customer experience, network spread, youth agenda, digital payments, new businesses, robust IT and strategic partnerships(KCB strategic plan,2015-2019).These are critical and useful in successful strategic implementation of any plan (Gichohi, 2015). Kcb adopts approaches like Top-Down Approach, Organizational change Approach, Resources allocation, Industrial organizational approach, resourced based approach and institutionalization approach which are majorly done through participation by employees at every level of the business where upon approval by the Board, the same is communicated and internalized within every rank to synthesize it down to implementable assignments for each employee. It is absolutely important to inform the staff who ought to be part and parcel of the plan about its existence and it's importance to the organization. Informing and engaging employees empowers them step up to their roles in bringing strategic outcomes to realisation by injecting self-driven of commitment and performance supported by a well-drawn out implementation process (Morill, 2010).

2.4 Challenges of Expansion Strategy Implementation

A study of firms in the USA and Europe by Bigler (2011) established that 90 percent of the time, strategies laid out by sampled organizations are not implemented within stipulated time and do not achieve intended outcome. Zagotta and Robinso (2012) place the responsibility of strategic business success on the CEO particularly in the awareness that strategy is the map but implementation is what gets the organization to the destination. Hansen, Boyd and Kryder (1998) noted three strategy execution problems, that is, lack of agility toward the plan or failure to adapt the strategic plan to changes in the business environment, secondly is the deviation from prescribed objectives and finally the lack of confidence in the prospect of success.

A key challenge to strategy implementation is insufficiency of resources in terms of time, staff competencies, knowledge and skills, financial and physical resources. Under-capitation as a result of constrained financial resources or insufficient allocation of resources to particular divisions adversely affects strategy implementation. Without staff commitment then it would give mixed signals on the adoptions and that commitment level is high, and it positively affects the success of the process. (Johnson and Scholes, 2008). Paterman (2008) argues that the process of transforming a strategy into results takes a concert of people, operations and laid out strategy. However, these factors are exposed externally to shifts in economic, political and business environments, which influence their undertaking. Strategic leadership is therefore a key driver to successful strategy implementation (Pearce & Robinson, 2007). Conversely, absence of leadership by top management in any organization stands identified as a major hindrance to effective strategy implementation (Hrebinia, 2005). According to a finding by Management Today (2008) about 37 percent of the realizable value of any strategy is lost in the process of implementation and also no feedback given in terms of progress of expansion strategy implementation to the staff, ggovernment policy.

According to Hill et al. (2013) organization culture is defined as a "set of values, norms, beliefs and attitudes that are shared by people and groups in an organization and that control how people interact internally and externally". They note that a non-befitting organization culture is a key impediment to strategy implementation. The suitable way brought forth, and considered efficient and useful in moving the organization forward will depend on how much synergy managers and employees can build around the shared values (Coulter, 2008). Rigid culture retards integration and coordination of operations negating cohesiveness in execution of tasks, commitment and decision making. Kirubi and Oloko (2014) identified that lack of clarity on tasks and responsibilities of employees in executing a given strategy hampers strategy implementation. The duo argued that even though the managers have a crucial role of harnessing the potential of employees towards successful implementation of a strategy, little can be done when tasks are not clarified. Hrebniak (2006) asserts that if job responsibilities and accountability framework are unclear then creating coordinated mechanisms or integrating strategic and short-term operating objectives becomes unachievable. Again the Interest rate Cap law that was passed by the Kenyan government affected heavily the strategic plan and implementation and most focus had to be shifted to how the bank could maintain above average profits despite the new law.

2.5 Measures to Deal with Challenges of Expansion Strategy Implementation

Proper execution of a strategy requires that clear levels of responsibility and accountability be established. Drawing a critical path to the goal with action plans as well as evaluation matrix help to define execution activities and responsibility owners. When roles and responsibilities are not allocated, critical tasks, decisions and results, that make strategy work at best is difficult to achieve. According to Pearce and Robinson (2011), successful strategy implementation requires an executive leadership that will direct activities, clarify the vision and motivate others to achieve superior performance (Pearce & Robinson, 2011). According to Thompson *et al*. (2007) in order to solve challenges related to organization culture, top management in progressive organizations need to focus on improving its performance overtime by nurturing a work environment that embraces results, promoting positive organization culture, setting of stretch objectives and goals and encouraging the use of performance management tools such as benchmarking, business process reengineering, Total Quality Management and Six Sigma models to enhance productivity.

Information sharing, proper internal communication, knowledge and skills sharing and the capacity of employees to learn new ones greatly facilitates successful implementation of expansion strategy. To solve the related challenges, the top management needs to carry out training that equips employees and motivates them towards accomplishing their tasks and responsibilities (Pearce & Robinson, 2011). Creation of central decision-making centres streamlines communication within the organization and enhances effectiveness in the implementation process. Poor employee interrelationships are challenges that KCB has faced overtime. Building and nurturing healthy working relationships in organizations is a long-termand effective stab at realizing desirable organization goals since it enhances communication (Lynch, 2009). The relationships enhance ease of acquisition of knowledge and skills despite possible changes in roles. It is believed that mentoring relationships is highly and positively associated with performance, the behaviour of citizens and individual intent enhanced by clear lines of communication methods and strategies. Effective systems of communication that advance respect and accountability ensure cross- organizational flow of knowledge, skills and expertise.

In 2015 the bank that faced a number of challenges on the implementation process which are not unique in the industry; these challenges were both behavioral and systemic. However, these challenges were managed and the bank used various measures in order to manage these challenges. It can also be noted that the bank is optimistic that she will break through these challenges and emerge successful in realizing her key transformation goals which are to be a leaner and more efficient organization with the aim of increasing her profitability and growth both locally and in the subsidiaries.

2.6 Summary of Knowledge Gaps

There exist a number of previous studies on the concept of strategy implementation. Chetty (2010) outlines factors of successful implementation, Pearce and Robinson (2011) identifies as critical the alignment of strategy with organization leadership and structure, Chakravarthy and Lorange (1991) lay focus on agility and adaptability of deployed task forces while Jofre (2011) puts weight on knowledge acquisition, dispersion and management among human resource and their influence of strategy implementation. On the challenges side of the drift, Hansen, Boyd and Kryder (1998) points at lack of agility to changes in business environment, Johnson and Scholes (2008) identifies under-capitation and insufficient resourcing, Peterman's (2008) is the problem of coordination of people, operations and laid strategy while Hill et al. (2013) narrow down to inadaptability of organization culture. These studies dwell so much on the internal environment without relating it to the external environment such as technological and political facets.

The reviewed literature embody concepts that point in unit distinct directions as far as their effect on general strategy implementation is concerned. However, expansion strategy could be considered a strategy within a strategy in the sense that it falls within the confines of business strategy of an organization. Given the literature reviewed, the manner in which these concepts tie in to affect the implementation of an expansion strategy remain in question particularly considering KCB Kenya, noting the prevailing challenges in the local market and its remarkable performance against other commercial banks in Kenya. This study looked in detail both the external and internal environments in order to successful bring out the best approaches, to employ in order to carry out an expansion strategy, and the best ways possible of dealing with the challenges to be anticipated.

3.0 Research Methodology

3.1 Introduction

This section has the details of research design, data collection and data analysis. It contains the general methodology or the layout of the research framework. It presents the sampling design techniques, how data was collected and the source of data during the study.

3.2 Research Design

A case study design was adopted since it permits in-depth investigation of an institution, individual or phenomenon (Mugenda and Mugenda, 2007). Case studies focus on full contextual analysis of events and their interrelations (Cooper and Schindler, 2003). This study set out to lay bare the concept of expansion strategy implementation in its currency within the context and process of KCB in light of the theoretical issues being advanced.

3.3 Data Collection

Data from both primary and secondary sources were gathered as relevant to the study. Primary data is data that has original information gathered from a first-handengagement. This was done through interviews by use of interview guides for all the interviewees of the case study. An interview guide is a set of questions that the interviewer asks when conducting the interview (Mugenda and Mugenda, 2003).

The research data and information was collected from members of the bank in various departments. Those interviewed were a selection from senior management, who included director of strategy Division, Senior research manager, Head of securities and documentation Centre, director of mortgage division, director of corporate division, legal documentation manager, Head of customer experience, Head of SME, director retail banking, finance director and director operations.

Secondary data is the data that has previously been collected and passed through the statistical process (Lavrakas, 2008). This data identifies the gaps that exist in the study information that can only be filled by fieldwork. Secondary data was obtained from KCB's strategic plan and available review reports.

3.4 Data Analysis

The gathered data was analysed qualitatively. Qualitative analysis categorises data and draws relations out of observable stated trends (Mugenda and Mugenda, 2007). It involves coding, categorizing and making sense of the essential varied, diverging or converging phenomenon. Cooper and Schindler, (2003) state that content analysis provides the researcher with a qualitative picture of the interviewees' concerns, ideas, attitudes, biases, feelings, and repeating themes. The data was edited to ensure completeness and consistency with the objectives of the study after which the words were classified into categories, keenly read through, coded and abstracted. The data was then analysed, results drawn and interpreted.

4.0 Data analysis, findings and discussion

4.1 Introduction

This chapter presents data analysis and discussions of the study findings. The researcher interviewed senior management and directors of various sections within the KCB group public limited company. Eleven interviewees including senior managers and directors were interviewed since they were believed to have been involved in the implementation of expansion strategy at KCB group public limited company. Qualitative data analysis technique was used to analyse the data which involved making inferences by systematically and objectively identifying and specifying characteristics of message and relating this to study themes.

The findings discussed in this chapter include the profile information of the interviewees, expansion Strategy Implementation and challenges affecting the expansion strategy implementation as well the measures of dealing with the challenges of expansion strategy implementation at KCB BANK GROUP PLC. Finally, findings were discussed based on the comparison with the relevant theories that guided the study and the literature review.

4.2 The Profile Information

This section presents the characteristics of the interviewees which included the department in which they belong to, their job title or position as well as how long they have worked for KCB BANK GROUP PLC. The researcher interviewed all the interviewees which gave a response rate of 100% considered to be adequate for data analysis.

4.2.1 Interviewees Department, Job Title/Position and Working Experience

The researcher sought to establish the interviewees department, job title/position and working experience. As per the findings, the departments from which the interviewees belonged to were office of the company secretary, securities and documentation Centre, mortgage division, strategy, research, finance, operations, retail banking as well as corporate division. Most of the interviewees were senior managers and directors of various divisions.

According to the findings, most of the respondents were at a level where they could be aware of the approaches being adopted to implement expansion strategy, challenges faced while implementing expansion strategy as well the appropriate measures that needs to be undertaken to deal with the challenges. This hence implied that they could give information on the subject under study.

The study also sought to establish how long the interviewees have been working for KCB Bank Group PLC. The findings therefore showed that most interviewees had worked at KCB Bank Group PLC for more than 3 years. This clearly revealed that those who gave the information for the study had enough experience for their provided information to be relied upon. Therefore with this strong interviewee background, it was clear that all the interviewees understood the subject under study and gave correct, adequate and reliable information for the study.

4.3 Expansion Strategy Implementation Approach at KCB Bank Group PLC

This section presents the findings on the first objective which was: to establish the approaches of implementing expansion strategy at KCB Group PLC. KCB Group PLC is a market leader and its journey has been characteristically spurred by growth in business, market position and infrastructure against a back drop of unrelenting challenges among them being oscillating political environment, rising competition, government policy environment, adjustments to technology and so on. From the first outlet in 1896 established in Mombasa, referred to then as National Bank of India to what we know as KCB Group PLC, it is safe to say that a constant in the transition, one after another has been growth and expansion. With the fast-paced business environment, globalisation and competition, growth has to be deliberate and business expansion necessarily becomes existential for an organisation to achieve business advantage and sustainability (KCB report, 2005).

On the understanding of an expansion strategy, the study established that it is business strategy that encompasses increase and growth in terms of market share, stocks, and brand extension, or a plan that a company comes up with to enlarge, increase and grow the company in terms of capacity, production, output or staff with the aim of increasing profits. The study also revealed that it is one of the strategies for growth by an organization devised and adopted by an organization as it seeks to grow when a desire to broaden the scope of its operations arises.

KCB's strategic expansion framework of 2015-2019 is anchored on seven key pillars and these are customer experience, network spread, youth agenda, digital payments, new businesses, robust IT and strategic partnerships. Drawn from every pillar are audacious objectives, which are intended at growth of the organisation in various but converging and progressive manners. Under the new business as a strategic issue, the objectives included increase of investment in existing business, KCB insurance, KCB capital and Islamic banking (KCB strategic plan, 2015-2019).

> *"Expansion strategy refers to the how or the manner/path of implementing business growth plans beyond its current position and size where it can be based on various factors such as need to grow beyond an area, borders, beyond regions and diversification, integration" (Director strategy division).*

In the business year 2015, the following milestones were achieved against the prescribed objectives: One, the bank successfully obtained a license to operate a representative office in Ethiopia making this the sixth international market KCB has its foot print, two, the bank successfully established Banc assurance, KCB Capital and Islamic Banking offers in 2014 and 2015 (KCB Integrated Report, 2015). Further on question whether KCB Group Plc has strategic expansion goals, the interviewees indicated that KCB Group Plc have a strategic expansion goals and the strategy adopted over the century that has seen it expand into other east African countries and beyond.

> *"We have strategic expansion goals which i think are inherent in its overall vision of being the African premier financial solutions provider" (Director Mortgage division).*

On who decides what the expansion goals are and the path they take, the study found that the expansion goals and the path they take are decided by the top-management team, that the board of directors determines the goals while the Ex-com determines the path company should take.

> *"The decision as to the goals of expansion lies with the board. But this is done inclusively in the sense that surveys are done to get views from staff members or the relevant units with a view to incorporating them in the goals". (Director Operations).*

Further on the question whether there is a difference between expansion strategy and annual business strategy, the study established that there is a difference especially in terms of formulation. The study established that an expansion strategy is a bigger plan, for the whole company and is usually long term while the annual business strategy is an offshoot of the expansion strategy adopted yearly tackling a particular sector of the company. The study found that there is a difference between expansion strategy and annual business strategy where expansion strategy goes beyond 1 year like say 5 years or 10 years while the annual business strategy just run for one year mostly January to December. The study further found that a difference in which the expansion strategy can be a component of the annual business expansion strategy while the annual business strategies are those crafted for an organization for the year.
On who is involved in expansion strategy implementation at KCB BANK GROUP PLC, the study established that both the managerial and clerical staff members and all staff. Also it was indicated that Heads of Department and board of directors are also involved.

> *"Implementation trickles down from Top management, to different directors and department heads". (Legal Documentation Manager).*

On the question on how institutionalization of expansion strategy is done, the study established that the expansion strategy is formulated by the senior level management and the Board of Directors and then broken down to suit the different units within the Bank and thereafter cascades down the mid-level and functional level management and clerical employee. The study also revealed that the branch adopts new expansion strategies as advised by the top management. It was also clear that institutionalization of expansion strategy is done through the Vision, Mission and Value statements and the targets in the BSC as well as rolling out new KCB values and goals.

> *"The bank usually institutionalizes the expansion strategy through break down of expansion Strategy into deliverable goals/ themes which are cascaded downwards to the business. In this case the Group CEO cascades the implementation down to relevant directors who comes up with different implementation schedules that are followed down through the financial*

> *year" (Head Securities and Documentation Centre).*

According to KCB Integrated report (2016), customer experience remains a key strategic pillar to expansion of the banks operations. Under this pillar, employee satisfaction and staff turnover make up crucial part of strategic expansion objectives and hence the need for their productive involvement in expansion strategy implementation. The role of KCB senior employees in expansion strategy implementation was to translate the expansion strategies and apply them to their daily duties that will enable the achievement of the company's goals and mission and sure compliance to the standard operating procedure in line with the target set for the branch. The study also revealed that employees own their BSC and strive not only to achieve but to exceed on the parameters set and delivering on the set expansion strategic Plan /goals /themes through self and team. The study also established that they follow down on procedures as laid down by the line managers in order to meet set targets and implement on new trategically laid down framework.

> *"My contribution to the overall expansion strategy implementation process is through everyday operations and ensuring that the same answer to the goals and/or objectives of the laid-out expansion strategies of the Group. Specifically, I ensure that the Group is not adversely exposed in the kind and type of collateral taken against the facilities advanced" (Director Retail banking).*

The study established that there is an advisory board in place to assist the expansion strategy implementation. In this case, they said that the role of the board is to ensure efficient and proper management, playing an oversight role over expansion strategy implementation, to come up with annual targets and also advise on how the bank will expand, to get reports on the expansion strategic plan implementation in relation to goals and what is delivered after a particular period of time and approve the proposals from the CEO and the ivisional directors, in compliance with the bank's vision and Core values.

On organizations benchmarking during expansion strategy implementation, the study revealed that other banks in Tier I, comparison in the number of customers, profit levels, growth achieved in income levels, loans and deposits, Standard Chartered Bank. The study also revealed that different expansion strategies have different successful organizations to benchmark from for example development of world class KYC structures can be benchmarked from financial organizations that lead in security for instance Commonwealth Bank of Australia.

> *"Not to my best of knowledge. However, I am aware the Bank always benchmarks on the best practices done elsewhere in the industry across the globe in order to set the pace for the rest at the local level, being the big brother locally" (Head of SME).*

On assessable objectives possessed as part of the expansion strategy implementation, the study found that there are assessable objectives that are part of the implementation of expansion strategy and that the implementation of expansion strategy is broken down into goals set in for example the Balanced Scorecards.

> *"Yes. The assessable objectives are enshrined within the BSC, subject to quarterly reviews. Objectives are set in quarterly form such that, in every financial quarter, a certain level of expansion strategy implementation must have taken place" (Head Securities and Documentation Centre and Company Secretary KCB Burundi).*

Further on what expansion strategy implementation approaches are used at KCB BANK GROUP PLC, the study found that Top-Down Approach, Organizational change Approach, Resources allocation, cascading of new KCB values and goals, Industrial organizational approach, resourced based approach and institutionalization approach are majorly done through participation by employees at every level of the business where upon approval by the Board, the same is communicated and internalized within every rank to synthesize it down to implementable assignments for each employee.

> *"KCB usually uses a combination of Resource Based Approach where the available resources are utilized in implementing strategic objectives and Organizational Approach where the current organizational structure is used on a trickle-down effect from top management to normal staff in implementing strategy" (Director Corporate division).*

On ensuring that the implemented expansion strategies are aligned to the organization's structure and culture, the study revealed that the senior employees adopt measures through daily activities that do not stray from the company's mission and vision, staff awareness programs, train on the roles each one plays that contribute in achieving the strategies, consistently communicate and also train on KCB new values and goals. The study also established that they ensure that the implemented expansion strategies are aligned to the organization's structure and culture through periodic staff surveys, opinions and suggestions/recommendations are always sought as to the effectiveness of the expansion strategy bearing the objectives in mind; and if there be need for change or modification, through the guidance and advisory role that the Strategy department engages in, is aligned to the structure & culture while implementing strategy.

On how the approaches have helped KCB BANK GROUP PLC implement its expansion strategies effectively, the study found that there have always been mixed results, but overall, the participation approach engenders a sense of ownership and responsibility on the part of the staff so that they often times go the extra mile to ensure fruition of the strategy. Perhaps more awareness and training/enlightenment about the expansion strategies and their rationale from the originators would improve the acceptance and motivation in the implementation process. They also said that a few cases meet with resistance from the very word go, especially when the employees read mischief in them and that using the available pool of human and organizational resource, the bank has been able to maximize on potential while achieving the most.

Apart from the mentioned approaches that KCB Bank Group PLC have, the study found that other models to expansion strategy implementation include embracing new technology according to market trends for example DFS, employing outsourcing as a mean of realizing its expansion strategy/goals which is usually viewed through the prism of cost-cutting. As such, to the extent that it achieves this measure, it's viewed to be effective and risk deflector from the Bank for example use of G4S in transporting and distributing the parcels to the different business units across the country.

> *"KCB Bank Group also uses the Institutional approach where each institution in the bank has its own part to play in implementing their strategies. This is done after the set objectives are cascaded from top management" (Head SME).*

In broad-spectrum the process of expansion strategy implementation was indicated to be developing an expansion strategic plan, developing progress reports, scheduling meeting with the stakeholders to discuss the plan and progress reports and the Board deciding the desired growth where the CEO and Exco determine how this will be achieved, it is communicated to top level managers and then cascaded to other staff through line managers and unit heads and then implemented through the targets in the

BSC. The study also revealed process of expansion strategy implementation to be institutionalization and operational implementation, expansion Strategy developed at Group Board level and that the strategy is implemented from Top management using the available resources and organizational structure.

> *"The broad spectrum can be viewed as first receiving the Board's approval. From here, analysis is done as to what path to take (whether through internal or outsourcing) taking into consideration cost, risks involved, timelines, performance or outcome, etc. if the former path is taken then the expansion strategy is adopted and customized down to every staff's achievable" (Finance director).*

The milestones of the ambitious expansion foresight in KCB's strategic framework covering 2015 – 2019 have been impressive. According to the KCB strategic plan (KCB SP, 2015-2019), for the year ended 2015, the recorded milestones included successful launch of the brand purpose programme effectively placing the bank on a path toward being simpler, friendlier and more inspiring while aligning processes to its purpose, customer satisfaction index improved from 77% to 79%, customer base doubled from 4.2M at end of 2014 to over 10M by end of 2015, mobile banking accounts grew to 2M active accounts as at December 2015, 2015-2019 among a myriad of other achievements. This is a strong indicator of a good level of success in KCB's implementation of their expansion strategy.

4.4 Challenges affecting the expansion strategy implementation

The challenges that KCB BANK GROUP PLC face during expansion strategy implementation were indicated by interviewees to be conflict within the management structure, inadequate resource allocation-especially human resource, poor (inadequate) information sharing, resistance to change, resources allocation, lack of communication, lack of technical know-how, lack of follow up and previous KCB structure and culture. Other challenges were revealed to be changes in the operating environment such as the interest rate cap, lack of understanding of the bank expansion strategy by staff, changes in the political environment and changes in the economic environment.

Further the study established that a key challenge to strategy implementation is insufficiency of resources in terms of time, staff competencies, knowledge and skills, financial and physical resources. Under-capitation as a result of constrained financial resources or insufficient allocation of resources to particular divisions adversely affects strategy implementation.

On the question on what is the commitment level of the top management team in expansion strategy implementation and its effect on the success of the process, the study found out that top management is deeply committed in expansion strategy implementation. As such, they convey information to the different teams within the organization in order to enable them work towards achieving the organization's goals, that the top management need to adopt the strategies and understand them before bring the rest of the team on board. Without commitment then it would give mixed signals on the adoptions and that commitment level is high, and it positively affects the success of the process. The study also revealed that 100% committed keeps the organization on track or reminds it to get back on track. The study also revealed that commitment level is high since their performance is based on the input of their respective teams and that the development of a teamwork attitude has played an important role in successfully implementing strategy.

> *"Basically, the top management level is usually very committed to the expansion strategy since this is ideally from them. Their motivation and consequent break-down to the lower cadre staff (who are the actual implementers) is key in the overall success of the strategy" (Head of Customer Experience).*

Based on whether KCB BANK GROUP PLC structure and culture affect expansion strategy implementation, the study established that it definitely affects the implementation of the expansion strategy. The study established that all expansion strategic plans have to be implemented using the available structure, meaning a mishap in one might cause a systemic failure of the rest.

> *"At KCB, the structure and culture affects expansion strategy implementation in such a way that each employee is responsible for a piece of the expansion strategy in the implementation process; which then join together to form a complete puzzle" (Director Strategy).*

On whether the staffs are involved in the expansion strategy implementation process, the respondents indicated that every staff is involved in the expansion strategy implementation process and the extent to which they are involved is dependent on the position they hold within the organization. The study further revealed that the Managerial team is the main decision makers and that the staff gives feedback on the success and shortcomings of the new strategies and in operationalization of the strategy. The study also established that all staffs are involved fully, except for a few cases where cases of confidentiality to the public are highly considered.

> *"In cases of outsourced services, staff does not carry out the actual implementation, but can give input as to the services offered. Though strategy implementation is staff involving since it depends on the organizational structure, the input of one however little plays a role in achieving the bigger picture" (Research Manager).*

On whether the involvement of staff in expansion strategy implementation process affect the outcome of the process, the study found that the more staff are involved, the higher the chances of success and that they are the last phase of the implementation process-the tip of the spear. The study established that involvement of staff makes expansion strategy implementation process more effective and deliverable and has an effect of inspiring confidence in the strategy and creating warm relations between the management and non-managerial staff due constant consultations and progress reviews.

> *"At the Bank, a great deal of positivity is evident when staff inputs are given weight in the decisions made and steps taken during the implementation process" (Finance Director).*

Further on whether politics play any role in expansion strategy implementation in your organization, the interviewees that politics play any role in expansion strategy implementation in your organization. The study further established that it can impede or fast track the implementation and that there is evidence of a measure of gender politics plaid out in placement of staff in various key decision areas.

> *"KCB Group Plc consists of different companies in different countries in the East African region. Politics does interfere with strategy implementation. For instance, the volatile South Sudan has affected business and strategy implementation expectations have to be scaled down to suit the situation" (Legal Documentation Manager).*

On resource allocation affecting expansion strategy implementation at KCB BANK GROUP PLC, the study revealed that the resource allocation affect expansion strategy implementation. It was found that it helps to correct resources assigned to the right task will promote the implementation of the expansion strategy. Resource allocation eventually determines whether efficiency, cost or benefit is optimized, or otherwise. Finally the interviewees were asked to indicate other challenges that affect expansion strategy implementation at KCB bank group plc. The study established that the workforce not understanding the expansion strategy or strategies, resource allocation, cultural differences, lack of proper communication channels, lack of information and training, unmotivated staff, the difference in market, legislation, culture in the different countries that the KCB GROUP PLC operates, unwillingness to align to set expansion strategy by staff and lack of full understanding of expansion strategy /lack of interpretation of the strategy. The study found that no feedback given in terms of progress of expansion strategy implementation to the staff, ggovernment policy. For instance, the Interest Cap law that was passed by the Kenyan government affected heavily strategic plans and implementation and most focus had to be shifted to how the bank can maintain profits despite the new law.

4.5Measures of Dealing with the Challenges of Expansion Strategy implementation

The study identified a number of challenges bedevilling expansion strategy implementation at KCB Bank Group PLC. At the core of the possible solutions to these challenges is the critical for an organization to remain focused, resilient and remain true to the pre-set values and goals. Challenge of staff involvement in expansion strategy implementation at KCB Bank Group PLC, this has to be dealt with by reviewing of implementation progress and delivering the information to staff and integrating the organization's assessment procedure with expansion strategy's evaluation plans. Development of flexible expansion strategic plans that allow room for dynamic business and political environment would help the strategy from the shock of eventualities. Satisfactory preparation, unceasing training and allocation of resources would position expansion strategy on a path to accomplishment.

On staff incompetence challenge, KCB has dealt with it through training and continuous reminder of the importance of the expansion strategy. This is done through workshops and seminars as well as interbank exchange programs. Also discipline strategies have been put in place.

Poor employee interrelationships are challenges that KCB has faced overtime. This was dealt with through building and nurturing healthy working relationships in organizations since it is a long-term and effective stab at realizing desirable organization goals since it enhances communication.

Change in management was also identified as another challenge affecting expansion strategy implementation. The study established that KCB always have a smooth transition in case of change in management in terms of there being an adjustment period for employees and other managers. This is because if there have not been changes in management for many years, then the company will start to settle into a way of doing things that is efficient and comfortable for the existing management team. Changes in management, for whatever reason, can put strain on the organizational structure of an organization. The new manager, or managers, may be unfamiliar with the way the organizational structure has been run for years and try to put a new spin on how things should be run.

In order to solve the challenges related to poor communication within the organization which is believed to adversely affect expansion strategy implementation at KCB group PLC, the organization has allowed the expansion strategy implementation process to be all inclusive and gives room to revise the strategies as it disseminates progress reports on a quarterly basis. Proper communication and breakdown of the expansion strategy along the chain of implementation, thorough research on the back-to-back elements of the expansion strategy so as to model it in the proper way.

The study also established that the challenges related to staff commitment, KCB has come up with improved human resource policies to motivate staff as well as involving lower cadre staff more so that they can own the process more and resilience. The study found that other measures like continuous explanation of strategy plus benefits that will accrue from implementation, developing buy in of staff in expansion strategy implementation, review of expansion strategy regularly and provision of information on the this review to staff, giving feedback in terms of expansion strategy implementation to the staff.

> *"We are trying our level best to aligning the expansion strategy with culture of the bank and also giving feedback in terms of expansion strategy review and implementation information to the staff" (Director operations).*

In 2015 the bank that faced a number of challenges on the implementation process which are not unique in the industry; these challenges are both behavioral and systemic. However, these challenges have been managed and the bank has used various measures in order to manage these challenges (KCB report, 2015). It can also be noted that the bank is optimistic that she will break through these challenges and emerge successful in realizing her key transformation goals which are to be a leaner and more efficient organization with the aim of increasing her profitability and growth both locally and in the subsidiaries.

4.6 Discussion of the Findings

In this section, the study findings will be discussed in relation to the theoretical review. This section will utilize institutional theory, industrial organizational (IO) economics theory and resource-based theory in comparison with the findings. In relation to the Theories, According to Barney (1991) Resource-based Theory which argues that achieving a sustained competitive advantage from a short-term one demands that these resources are varied and imperfectly mobile where it makes for valuable resources that are not perfectly imitable neither them is easily substituted. Identification of potential key resources has to be followed by evaluation by the organizations to determine suitability of an implemented expansion strategy. The findings of this study concurs with the findings that business strategy that encompasses increase and growth in terms of market share, stocks, and brand extension, or a plan that a company comes up with to enlarge, increase and grow the company in terms of capacity, production, output or staff with the aim of increasing profits. The study established that senior staffs are involved in the expansion strategy implementation where most of their roles are to translate the expansion strategies and apply them to their daily duties that will enable the achievement of the company's goals and mission and sure compliance to the standard operating procedure in line with the target set for the branch.

According to Institutional Theory, the height of success in institutionalisation is the effective use of channels such as culture, structures, routines and stories to achieve similarities and stability among departments of the organization. The institutional theory also applies to these findings as it is centered on the analysis of social sources and alternatives that are bound together on an institutional framework hence seeks to understand the basis and shaping of social choices, mediation and channeling by the institutional environment. The study results revealed KCB has strategy implementation approaches which are Top-Down Approach, Organizational change Approach, cascading of new KCB values and goals, Industrial organizational approach, resourced based approach and institutionalization approach which is majorly done through participation by employees at every level of the business where upon approval by the Board, the same is communicated and internalized within every rank to synthesize it down to implementable assignments for each employee.

In relation to Other Studies, the study revealed that top management is deeply committed in expansion strategy implementation such that they convey information to the different teams within the organization in order to enable them work towards achieving the organization's goals, that the top management need to adopt the strategies and understand them before bring the rest of the team on board.

The study established that the efforts towards institutionalisation of strategy at KCB Group PLC recognise the existence of an organisational structure, systems and procedures. These agree with Paterman's (2008) assertion that the process of transforming a strategy into results takes a concert of people, operations and laid out strategy. However, these factors are exposed externally to shifts in economic, political and business environments, which influence their undertaking. The aspect of external environment is a key consideration within Industrial Organisation economic theory as much it is in this study because it potentially affects the organisation's bottom-lineperformance. KCB Group PLC is a market leader and that makes it demanding to maintain a competitive edge to stay at the top.

Chetty (2010) weighs in on the considerable factors necessary for an organization to successfully implement its strategy, that is, commitment by top executive, all and cross- level engagement, clarity in communicating a tangible strategy, cascaded levels of accountability, selection of the best people to drive key initiatives, and the ability to monitor and track progress. The choice of the strategy by an organization has to be in line with the seven factors key to the implementation of any strategy.

The findings revealed on the challenges facing the expansion strategy implementation are in line with findings by Kirubi and Oloko (2014) who identified that lack of clarity on tasks and responsibilities of employees in executing a given expansion strategy hampers strategy implementation. The duo argued that even though the managers have a crucial role of harnessing the potential of employees towards successful implementation of a strategy, little can be done when tasks are not clarified.

It was clear that in order to solve the challenges faced in expansion strategy implementation at KCB bank group PLC the bank should put much emphasis on training the staff as well as involving them in decision making. It also identified improved human resource policies to motivate staff as another measure to deal with the challenges. According to Thompson et al. (2007) top management in progressive organizations need to focus on improving its performance overtime by nurturing a work environment that embraces results, promoting positive organization culture, setting of stretch objectives and goals and encouraging the use of performance management tools such as benchmarking, business process re-engineering, Total Quality Management and Six Sigma models to enhance productivity.

In order to solve the challenges related to poor communication within the organization which is believed to adversely affect expansion strategy implementation at KCB bank group PLC, the organization has allowed the expansion strategy implementation process to be all inclusive and gave room to revise the strategies as it disseminates progress reports on a quarterly basis. Proper communication and breakdown of the expansion strategy along the chain of implementation and thorough research on the back-to-back elements of the strategy so as to model it in the proper way has been adopted. This concurs with Pearce and Robinson (2011) who argues that Information, knowledge and skills sharing and the capacity of employees to learn new ones greatly facilitates successful implementation of strategy and to solve the related challenges, the top management needs to carry out training that equips employees and motivates them towards accomplishing their tasks and responsibilities.

5.0 Summary, conclusion and recommendations

5.1 Introduction

This chapter provides a summary of the research findings, conclusions, and recommendations centred on the objectives of the study. Limitations of the study are mentioned together with suggestions for further study.

5.2 Summary of Findings

The objectives of the study were to establish the approaches of implementing expansion strategy at KCB Group PLC; to determine challenges of implementing expansion strategy; and determine measures to deal with the challenges. The researcher deduces that expansion strategy as the business strategy that encompasses increase and growth in terms of market share, stocks, and brand extension, or a plan that a company comes up with to enlarge, increase and grow the company in terms of capacity, production, output or staff with the aim of increasing profits. Its implementation at KCB Group PLC takes into consideration all staff members.

However, the implementation of expansion strategy takes a top-bottomapproach. At the very top is board and the top management team made up of the chief executive officer, chief financial officer, chief operations officer and the company secretaries, which ratifies expansion strategic approaches as laid out by the strategy team and in the line with the organisation's goals, structure and culture. It was also deduced that there is an advisory board that consists of senior management staff which has a mandate of ensuring efficient and proper management, playing an oversight role over expansion strategy implementation, to come up with annual targets and also advise on how the bank will expand, to get reports on the expansion strategic plan implementation in relation to goals and what is delivered after a particular period of time and approve the proposals from the CEO and the divisional directors, in compliance with the bank's vision and values. The study revealed that KCB Group PLC follows an expansion strategic plan that considers various aspects of service delivery including institutionalization and operationalization.

There are a number of challenges in expansion strategy implementation at KCB Group Plc. A key challenge to expansion strategy implementation is insufficiency of resources in terms of time, staff competencies, knowledge and skills, financial and physical resources. Under-capitation as a result of constrained financial resources or insufficient allocation of resources to particular divisions adversely affects expansion strategy implementation (Johnson and Scholes, 2008). This was also a source of challenge in the case of KCB Group PLC as per the findings, employees who are involved in the implementation of the expansion strategy had other jobs that were involved in as there day to day chores. This results to insufficiency in time being allocated to the issue at hand as a result of multi-tasking.

Poor internal communication was another challenge. This has been pivotal in untimely cascading of objectives, lack of information on the outcomes of evaluation and control activities. Inadequate data is also given during assessment which points to wrong findings and assumptions. The findings also illustrates that there was low staff commitment and morale because of less staff involvement at the implementation stage. This is well captured in the findings that suggest that most decisions are made at the corporate level of management then cascaded downwards only for operationalization. Most crucial decisions are controlled in the strategy division which is the custodian of the bank's strategies including the expansion strategy. This in the long run results to lack of ownership of the expansion strategy at implementation phase.

The study identified a number of challenges bedevilling expansion strategy implantation at KCB Bank Group PLC. For the group to solve the challenges mentioned, involvement of all staff in decision making at different respective level of responsibility and consistent follow-through is paramount. Proper communication and itemisation of expansion strategy along the critical path of implementation, research on the back-to-back elements of the expansion strategy for a proper model and aligning expansion strategy with organization culture as well as values.

Challenge of staff involvement has to be dealt by training and continuous reminder of the importance of the expansion strategy, review of implementation progress and delivering the information to staff and integrating the organization's assessment procedure with expansion strategy's evaluation plans. Development of flexible expansion strategic plans that allow room for dynamic business and political environment would help the strategy from the shock of eventualities. Satisfactory preparation, unceasing training and allocation of resources would position expansion strategy on a path to accomplishment.

Poor employee interrelationships are challenges that KCB has faced overtime. This was dealt with through building and nurturing healthy working relationships in organizations since it is a long-term and effective stab at realizing desirable organization goals since it enhances communication. Change in management was also identified as another challenge affecting expansion strategy implementation. The study established that KCB always have a smooth transition in case there is a change in management in terms of there being an adjustment period for employees and other managers. This is because if there have not been changes in management for many years, then the company will start to settle into a way of doing things that is efficient and comfortable for the existing management team. Changes in management, for whatever reason, can put strain on the organizational structure of an organization. The new manager, or managers, may be unfamiliar with the way the organizational structure has been run for years and try to put a new spin on how things should be run.

5.3 Conclusion

The researcher concludes that expansion strategy implementation at KCB Group PLC takes a top-down approach. Resources are allocated by the top management team in conjunction with the board to the relevant selected teams. All staff members are to be involved in expansion strategy implementation for it to be successful. The challenges in expansion strategy implementation can be easily solved by involvement of all staffs, training and continues reminder of the significance of the expansion strategy, reviews and provision of feedback.

The study further concluded that top management is deeply committed in expansion strategy implementation such that they convey information to the different teams within the organization in order to enable them work towards achieving the organization's goals, that the top management need to adopt the expansion strategies and understand them before bring the rest of the team on board.

It was concluded that in order to solve the challenges faced in expansion strategy implementation at KCB bank group PLC the bank should put much emphasis on training the staff as well as involving them in decision making. The identified challenges that need immediate measures to be solved were conflict within the management structure, inadequate resource allocation-especially human resource, poor (inadequate) information sharing, resistance to change, resources allocation, lack of communication, lack of technical know-how, lack of follow up and previous KCB structure and culture.

5.4 Recommendations for Policy and Practice

The study recommends proper training in order to align culture and structure of the bank to the expansion strategy implementation process. For all employees to get committed and to buy into the process of expansion strategy implementation at KCB Group, proper and regular involvement needs to be done. This will assist in operationalization of the expansion strategy implementation at all levels of the bank. A research department needs to be set up to assist the strategy department in assessing the outcome of the process. This will then relay the feedback to the whole KCB Group team for evaluation.

The study recommends that when a strategy is being formulated the company should first develop a mission statement that attempts to clarify an organization's values, purposes, and directions. It may be used as a starting point in the strategic planning process or it may be developed after the process is finished. Mission statements may specify target customers and markets, principal products or services, geographical domain, core technologies, concerns for survival, plans for growth and profitability, basic philosophy, and desired public image.

A Firm should carry out environmental scanning to collect information about opportunities and threats facing the firm, obtain data about economic, financial, political, legal, and competitive changes in various markets the firm serves or might want to serve. Political risk analysis and selection of national markets in which investment or disinvestment seem attractive (issues from section of course before midterm, plus issues related to collecting market specific information in carried out here.

A control framework should be put in place which is a managerial and organizational processes, used to keep the firm on board toward its expansion strategic goals. The control framework can prompt revisions in any of the preceding steps in the expansion strategy formulation process.

The expansion strategic plan needs to be understood by all involved in expansion strategy implementation and therefore KCB Group PLC needs to establish proper internal communication instruments for all involved in expansion strategy implementation process. This is to foster easy cascading of the objectives and timelines throughout the bank. The Bank needs to reduce bureaucracy in the organization structure for ease of sharing ideas and innovation for expansion strategy implementation. The challenges addressed needs to be looked into to streamline the process of expansion strategy implementation. The challenges can be tackled in phases in accordance with the availability of the necessary resources.

5.5 Limitations of the Study

The interviews were held with staffs at Head Quarters of KCB Group PLC. The study did not make any reference to employees in the branches of other KCB Group PLC subsidiaries. Even though we recognize that employees at the branches are in all the subsidiaries are influential to the success of implementation of the expansion strategy at KCB Group PLC. Consequently, the study outcomes may not be reflective of the actual position on the ground therefore a documentation of the study.

The research design used was a case study which was the best and easy to use, however the data collection method was difficult to employ since most of the interviewees had a busy calendar which made the conducting of interviews very difficult and hectic. Most of the interviewees were interrupted from time to time. Some interviewees point to that they favoured closed ended questionnaires that were easy to complete.

The study covered approaches of implementing expansion strategy at KCB Group PLC; to determine challenges of implementing expansion strategy; and determine measures to deal with the challenges. This could not permit for an assessment of the outcome of expansion strategy implementation on the overall performance of KCB Group Plc. Additional limitation which was obvious was that the interviewees were giving information in bits because of the confidentiality. This proved a delay on the researcher’s side.

5.6 Suggestions for Further Research

Future studies should be carried out on the role of internal communication in the implementation of expansion strategies at KCB Group Plc. The study further suggests future studies to be carried out using a different methodology from the one employed in this study. A quantitative approach is recommended to assist in quantifying the specific variables in expansion strategy implementation.

Since the study was based on senior staffs at Head Quarters of KCB Group PLC, the study suggests another study to be done based on other branches of other KCB Group PLC subsidiaries.

Finally the study recommends another study to be done on an assessment of the outcome of expansion strategy implementation on the overall performance of KCB Group Plc

REFERENCES

AIB Capital (2017). Kenya Banking Sector. http://www.aibcapital.com/ phocadownload/AIB%20Capital%20K enya%20Banking%20Sector%20Upda t e2017.pdf

Allio, M. K. (2005). A short practical guide to implementing strategy. *Journal of Business Strategy*, 26(4), 12–21.

Barney, J. (2010). Gaining and sustaining competitive advantage. Upper Saddle River, N.J.: Financial Times/Prentice Hall.

Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.

Becker, B., & Gerhart, B. (1996). The impact of human resource management on organisational performance: Progress and prospects. *Academy of Management Journal*, 39(4), 779-801.

Chakravarthy, B. & Lorange, P. (1991). Managing the strategy process: A framework for a multinational firm. Englewood Cliffs NJ: Prentice-Hall.

Chetty, T. (2010). The drivers and inhibitors of strategy execution. Pretoria: Gordon Institute of Business Studies.

Cooper, D. R. & Schindler, P. S. (2003). *Business research methods*, 8th Editon. McGrawHill: New York

Crittenden, V. L. & Crittenden, W. F. (2008). Building a capable organization: The eight levers of strategy implementation. *Business Horizons*, 51(4), 301-309

Dussauge, P., Garette, B. & Mitchell, W. (2000). Learning from competing partners: outcomes and durations of scale and link alliances in Europe, North America and Asia. *Strategic Management Journal*, 21(2), 99–126.

Geroski, P. A. (2005). Understanding the Implications of Empirical Work on Corporate Growth Rates. *Managerial & Decision Economics*, 26(2), 129-138.

Gichohi, P. M. (2015) .The strategic management practices in academic libraries in Kenya: The Case of USIU Library. *Library Philosophy and Practice*, 1(2), 67- 88.

Helfat, C. E. & Peteraf, M. (2003). The dynamic resource-based view: Capability lifecycles. *Strategic Management Journal*, 24(10), 997-1010.

Hill, C. W. & Jones, G. R. (2013). Strategic management: An integrated approach. 10th ed. Boston, New York: Houghton Mifflin Company

Hrebiniak L.G. (2006). Obstacles to effective strategy implementation. *Organizational Dynamics*, 35(1), 12-31.

Jofre, S. (2011). Strategic Management: The theory and practice of strategy in (business) organizations. Kgs. Lyngby: DTU Management. (DTU Management 2011; No. 1)

Pearce, J. A. & Richard, B. R. (2011). *Strategic management; Formulation, implementation, and control*. New York: McGraw-Hill.

Johnson, G., Scholes, K. & Whittington, R. (2008). *Exploring corporate strategy*. New York: Pearson Education.

Johnson, L.K. (2004). Execute your strategy without killing it. *Harvard Management Update*, 9(12), 3-6.

Kaplan R., S. & Norton D. P. (1996). Linking the Balanced Scorecard to Strategy. *California Management Review*, 39(1), 53-79.

Kenya Bank Credit Rating Report (2013): http://www.rich.co.ke/rcfrbs/docs/2013-06-KCB (Final).pdf

Kim, W.C. & Maubogne, R. (2005). Blue ocean strategy: How to create uncontested market space and make the competition irrelevant. Boston: Harvard Business School Press.

Kimata, S.N. (2003). The factors considered by Kenyan firms when deciding to establish subsidiaries in Uganda and Tanzania. Published Project.

Kimata, Y. (2006). Factors influencing Entry into regional markets by Kenya Commercial bank. Unpublished MBA project.

Kirubi, J. W. & Oloko, M. (2014). Evaluation of challenges that influence strategy implementation: A case study of malezi bora in Kirinyaga district. *International Journal of Current Business and Social Sciences,* 1(2), 18-30.

Kuuluvainen, A. (2011). Dynamic capabilities in the international growth of small and medium-sized firms. Turku: Turku School of Economics.

Lynch, R. (2009). *Strategic management*, 7th ed. London: Pearson Education

Mahasi, J. (2016). The linkages of organizational resources, external stakeholders, expansion strategies and performance of commercial banks in Kenya. (Unpublished thesis). Nairobi: University of Nairobi.

Morrill, R. L. (2010). Strategic leadership: Integrating strategy and leadership in colleges and universities. Lanham, MD: Rowman and Littlefield

Mugenda, O. & Mugenda, A, (2007). Research methods; qualitative and quantitative approaches. Nairobi: African Centre for Technology Studies

Mugenda, O. M. & Mugenda, A. G. (2003). *Research methods, quantitative & qualitative approaches.* Nairobi: Acts Press.

Peace II, J. A., Robinson R. B. & Mital A. (2010). *Strategic management: Formulation, implementation and control*. New Delhi: Pearson Education Ltd.

Pearce, J. & Robinson, R. (2011). *Strategic management*, 12th ed. Homewood, Ill.: McGraw Hill.

Penrose, E. T. (1959). *The theory of the growth of the firm*. Oxford: Oxford University Press.

PMI report (2013). Why good strategies fail; Lessons for the C-suite. Economist Intelligence Unit.

Scott, W.R. (2004). Institutional theory: Contributing to a theoretical research program. Oxford: Oxford University Press

Siddique, I. & Shadbolt, N. (2016). Strategy implementation literature review. UK: Sage publications.

Spada, E. (1999). Management theories of international expansion of mncs- *management essay,* 1-23.

Andrews, K. (1980). *The concept of corporate strategy*, 2nd ed. Chicago: Dow-JonesIrwin

Mintzberg, H. (1994). *The rise and fall of strategic planning.* New York: Prentice Hall.

Thompson, A., Strickland, A. & Gamble, J. (2007). *Corporate culture and leadership. crafting and executing strategy: Concepts and cases*, 15th ed. New York: McGraw Hill.

Westerlund, M. & Leminen, S. (2012). Special Issue on Living Labs, Technology Innovation. *Management Review*, 2(9), 6-11.

Yabs, J. (2007). Strategic management practices in Kenya; Applications and cases. Nairobi: Lelax Global Ltd.