

# Effects of Communication on the Success of Strategy Implementation Process among Commercial Banks in Nakuru County Kenya

Ambani N Jenipher<sup>1</sup>, Wanyoike Daniel<sup>2</sup>

<sup>1,2</sup>School of Human Resource Development, Jomo Kenyatta University of Agriculture and Technology, Kenya

**Abstract:** *Effective communication is critical for successful strategic implementation of any plan, whether an organizational strategic plan or a marketing or operational plan. Those required to support the plan need to be informed of the plan and its importance to the organization. In addition, all employees should know why the plan was developed, what it means to the company, who will be involved in its implementation and how they can contribute to its success. This study sought to establish communication practices and how they affect success of strategy implementation among commercial banks in Nakuru county Kenya. The study objective was to establish how communication in commercial banks affects strategy implementation in Nakuru County using descriptive research design. The target population was obtained from the 28 Commercial Banks in Nakuru County which has 200 staff members from Top Management staff, middle level staff to low level staff. Stratified random sampling technique was used in sampling respondents. Both descriptive and inferential statistics was used to analyze the data. The study revealed that there lacks effective communication among commercial banks in Nakuru county leading to failure in strategy implementation process.*

**Keywords:** Effective communication, Strategy Implementation, Staff motivation

## 1. Introduction

Executing a strategy is perceived as more difficult than its development and represents a disciplined process or a logical set of connected activities that enables an organization to take a strategy and make it work (1). All companies want to be successful, but many organizations' leaders fail to fully plan and implement a business strategy that will produce their desired level of achievement (2). While every business will have different strategies due to varying industries, company sizes and goals, what they all have in common is the need to thoroughly communicate their business strategy to their employees(2).

Poor communications seems to take many forms. Apparently, some groups like to develop strategic plans, and then hide them under a rock(4). But they don't do it on purpose. The failure to communicate the vision and strategic objectives to stakeholders may mean that the developers of the strategy aren't getting out enough information for folks to understand what they're supposed to do with it(3). New initiatives or objectives are outlined but not communicated throughout the organization as to how the new objectives should look and feel, what steps to take, time-frame, etc. Poor communications among team members responsible for decisions in implementation. Expectations and opinions are not shared openly, thoroughly, and effectively.

## 2. Statement of the Problem

Communication among stakeholders in any organization is important in order to ensure each stake holder understand what is expected of him in order to achieve the desired goals(6). Instability in the banking sector in Kenya is capable of creating perennial crises not only for the economy, but also for the workers in the sector. Now more than ever, banking institutions have to optimize their processes, control their cost structure, and explore new

operating models using all the tools now at their disposal. Commercial banks in Nakuru County are engaging in stiff competition due to slinking market share as more commercial banks are establishing new branches in the county after the implementation of the new Kenyan constitution that has facilitated funds to be devolved at the county level. Very few banks have succeeded in strategy implementation where these strategies are usually formulated with an aim of increasing customer loyalty and increasing their market share. Most Commercial banks are entering this new market without adequately communicating to their potential customers of their presence and the products they are expected to launch hence slow growth. The study therefore seeks to establish Effects of communication on the success of strategy implementation process.

## 3. Objective

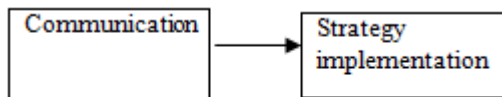
To establish the effect of communication on the success of strategy implementation process among commercial banks in Nakuru County.

## 4. Research Question

What is the effect of communication on the success of strategy implementation process among commercial banks in Nakuru County?

## 5. Conceptual Framework

The study variables are conceptualized by the framework in order to illustrate the relationship between them. The framework as shown in figure 2.1 shows how communication affects strategy implementation



Variable Variable Independent Dependent

Figure 1: Conceptual Framework

## 6. Literature Review

The study delved into pertinent concepts theories and empirical studies.

### 6.1 The Importance Of Communicating Business Strategy

All companies want to be successful, but many organizations' leaders fail to fully plan and implement a business strategy that will produce their desired level of achievement (5). (8) While every business will have different strategies due to varying industries, company sizes and goals, what they all have in common is the need to thoroughly communicate their business strategy to their employees.

Effectively communicating the company business strategy to employees is vital to ensuring that each member of your staff is involved and understands the company goals, where your long-term plans will lead you in the future, and how you intend to get there (6). One of the most common weaknesses plaguing businesses is a lack of a good understanding by employees of their company's strategy. The best employees are those who are motivated, self-managed and properly trained, but this cannot be accomplished unless employees are kept in the know as much as possible (7). Beyond communicating the overall business strategy to employees, it is equally important to communicate to them how their work will play a vital role in the overall success of the company (9).

From entry level positions to managers and company leaders, employees need to see that their efforts and hard work matter (14). This leads to a more motivated workforce where people are willing to continue to work on behalf of the company for a successful outcome. With a greater understanding of the company's mission in place, employees develop a much stronger commitment to actually fulfilling that mission (9).

Beyond verbally communicating the business strategy to employees, business leaders must dive into the set plan, using their actions to demonstrate to employers that he or she can be trusted to follow through with promises made (12).

To increase customer satisfaction, as well as help employees stay motivated for effective and efficient results, company leaders must consistently work to achieve the goals that they have advertised (10). It is difficult for employees to feel excited about working hard for their employer when they do not see their efforts mirrored by the company's leadership. In general, commitments should always be kept, but this is especially true if those commitments are part of an organization's overall strategy (13). Employees will look to

the articulated business strategy as their motivator and guideline, but if the business strategy is unreliable, it will have negative effects on employee morale and success.

After the business strategy is implemented, executive leadership needs to set aside time to evaluate the company's efforts and communicate their findings and feedback to the rest of the organization (4). Note that employees need more than just general comments – they will be most successful in the future when leaders clearly explain the specific efforts that are working and those practices that are not, with a detailed and clear explanation of why and how the overall strategy will proceed as a result. (3) In an effort to continue to tie employees' work back to their support of the overall business strategy, leaders need to be careful to give these explanations in the context of the strategy to keep everyone motivated and productive.

After consistently implementing effective practices, business leaders will begin to notice that the company's strategy and vision, as well as effective communication practices, become a natural and integral part of workplace culture and practices (6). Positive communication drives high results and employee loyalty, which strengthens organizations and will encourage the growth and progress of a company.

More than any other incentive, when employees understand their value and contributions to the greater business goal their work is supporting, they are going to be motivated to work hard toward their organization's success (12). The most effective way of accomplishing this is through clearly and consistently communicating all aspects of the business strategy to everyone involved, resulting in a higher level of performance among teams companywide that is able to reach new and exciting levels of success.

## 7. Research Methodology

### 7.1 Research Design

The study adopted the descriptive survey design (10), state that the major purpose of descriptive research is description of state of affairs as it exists. The design was chosen because the researcher was fairly knowledgeable about the aspects of the phenomenon, but little knowledge was available regarding their characteristic, nature or details.

The target population was obtained from the 28 Commercial Banks in Nakuru County which has 200 staff members from Top Management staff, middle level staff to low level staff. Stratified random sampling technique was used to select a sample of 126 respondents (11). The researcher relied exclusively on primary data which was collected using structured questionnaires. The study performed content and construct validity of the research instrument, whereby the views of a strategic management expert in the school of human resource development at Jomo Kenyatta University of Agriculture and technology were relied upon. The researcher ensured that the instrument was able to capture information that answered the research objectives and it was constructed professionally to avoid obtaining irrelevant answers. Kothari, (2004), pointed out that validity measures the accuracy of the instruments in obtaining the anticipated

data which can meet the objectives of the study. The Statistical Package for Social Sciences (SPSS) tool was used in data processing and analysis. Both descriptive and inferential statistics were employed in analyzing the collected data.

**7.2 Data Processing and Analysis**

The response rate was found to be 91.3%. The conspicuously high response rate was argued to largely occasion by having the researcher issuing and collecting the questionnaires himself instead of relying on research assistant.

**7.3 Communication Process by commercial banks**

The study sought to understand the communication practices among commercial banks in Nakuru county. From the research findings as indicated in Table 1 below, most commercial banks employees feel less motivated as a result of ineffective communication by top management with a mean of 0.177 and standard deviation of 0.328.

Research findings also revealed that effective communication is not in place in most commercial banks on company processes and procedures to all stakeholders with a mean of 0.520 and a standard deviation of 0.261. In regard to organization mission and vision being well communicated to all employees, most commercial banks do not communicate adequately with a mean of 0.689 and a standard deviation of 0.124. Also the study result revealed that executive leadership does not provide feedback to employees after evaluating strategy progress with a mean of 0.387 and a standard deviation of 0.238. Research findings also indicated that there lacks high level of performance among teams in the commercial banks with a mean of 0.521 and a standard deviation of 0.263.

**Table 1: Communication process by Commercial Banks**

Communication Process by commercial banks	n	Mean	Standard Deviation
Employees are well motivated due to effective communication by top management	115	0.177	0.328
There is adequate communication in place on company processes and procedures to all stakeholders.	115	0.520	0.261
Organization mission and vision is well communicated to all employees.	115	0.689	0.124
Executive leadership evaluates strategy progress and give feedback on time.	115	0.387	0.238
There is high level performance among teams companywide due to effective communication.	115	0.521	0.263

**7.4 Best practices in strategy implementation process and communication process by commercial banks**

High level of performance among team players is evident where successful strategies have been implemented. From the research findings majority of the respondents agreed with this statement with a mean of 4.69 and a standard deviation 0.46. Majority of the respondents also agreed that positive communication drives high results and employee

loyalty as evidenced in Table 2 below with a mean of 4.79 and standard deviation of 0.43 .Finally majority of the employees also agreed that strategy implementation process succeeds as employees understands their value and contributions to the greater business goal with a mean of 4.24 and a standard deviation of 0.47.

**Table 2: Best practices in strategy implementation**

Best practices in strategy implementation	n	Mean	Standard Deviation
High level of performance among team players.	115	4.69	0.46
Positive communication drives high results and employee loyalty.	115	4.79	0.43
Employees understand their value and contributions to the greater business goal.	115	4.24	0.47

**7.5 Relationship between communication process by commercial banks and best practices in strategy implementation.**

Correlation is the degree of relationship between two variables. It is a relative measure of value and it ranges from negative one to positive one. There was a negative correlation between communication process by commercial banks in Nakuru county and best practices in strategy implementation process as shown in table 3 below with a Correlation coefficient of -.621. at 0.01 level of significance. This implies that there is inadequate communication to members of staff among commercial banks in Nakuru County which leads to failure in implementation of new strategies.

**Table 3: Relationship between communication process by commercial banks and best practices in strategy implementation**

		X	Y
X	Pearson Correlation	1	
	Sig. (2-tailed)		0
	n	115	115
Y	Pearson Correlation	-.621*	1
	Sig. (2-tailed)	0	
	n	115	115

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

**Key:**

X = Communication process by commercial banks

Y = Best practices in strategy implementation

**7.6 Summary of findings, conclusions and recommendations**

This section outlines the summary of the study findings, draws relevant conclusions and then suggests recommendation in tandem with the research objectives.

**7.6.1 Summary**

Most commercial banks employees feel less motivated as a result of lack of effective communication by top management. Research findings also revealed that there is no effective communication is in place in most commercial banks on company processes and procedures to all stakeholders leading to information vacuum and confusion. . In regard to organization mission and vision being well communicated to all employees, most commercial banks do

not communicate adequately. Also the study result revealed that executive leadership does not provide feedback to employees after evaluating strategy progress. The study also revealed that high level of performance among teams in the commercial banks do not exist as a result of poor communication process.

### 7.6.2 Conclusion

Communication is key to strategy implementation process; strategy must be communicated to all stakeholders before implementation. Executive leadership should on regular basis evaluate strategy progress and give feedback on time for corrective action to be made.

### 7.6.3 Recommendation

Employees in the banking sector should ensure that there is effective communication during the strategy implementation process. This will create high level of performance among teams in the commercial banks leading to well motivated employees and attainment of the desired organization goals by commercial banks in Nakuru county.

## References

- [1] Borkowski, N. (2005) *Organizational Behaviour in Health Care USA*: Jones and Bartlett Publishers Inc
- [2] Corcoran, N 2007 *Communicating Health, Strategies for Health Promotion* London: Sage
- [3] Davies, H T O.; Nutley, S M.; and Mannion, R (2000) Organisational culture and quality of health care *Quality in Health Care* Vol 9: 111-119
- [4] Druker, P.F. (2007) *Management Challenges for the 21<sup>st</sup> Century* London: Butterworth-Heinemann
- [5] French, W. and Bell, C. (1999) *Organization Development*. New Jersey: Prentice Hall
- [6] Guth, W.D., and Macmillan, I.C. (2006). *Strategy Implementation Versus Middle Management Self-Interest*. Strategic Management Journal,7, 313-327.
- [7] Heide, M., Grønhaug, K.,and Johannessen, S. (2009). *Exploring Barriers to The Successful Implementation of a Formulated strategy*. Scandinavian Journal of Management,18, 217-231.44
- [8] Hrebiniak LG 2005) *Making Strategy Work* New Jersey: Wharton School Publishing
- [9] Jones (2008) *Communicating Strategy* Hampshire UK:Gower
- [10] Kombo, D.K.& Tromp, D.L. (2006). Proposal writing and thesis proposal: An introduction. Paulines Publications, Africa: Nairobi.
- [11] Krejcie R.V & Morgan , D.W. (1970).Determining sample size for research Activities journal of educational and psychological measurement, 30, 60-68.
- [12] Pencheon, D.; Guest, C.; Melzer, D and Muir Gray J.A. (2008) *Oxford Handbook of Public Health Practice* Oxford University Press
- [13] Rowe, J (2008) Planning Public Health Strategies in Cowley, S *Community Public Health in Policy and Practice* London: Bailliere Tindall pp162-192
- [14] Swanton, K. and Frost, M (2007) *Lightening the load: Tackling overweight and obesity* London: National Heart

## Author Profile

**Ambani N Jenipher** has done Bachelor of Business Administration Accounting Option in year 2007. Maseno University Kenya. Masters of business administration , Strategic Management Option in Year 2014 from Jomo Kenyatta University of Agriculture and Technology. Currently working with Cooperative Bank of Kenya Nairobi as Credit Management officer from year 2008 to date.