RESPONSE STRATEGIES TO ENVIRONMENTAL CHALLENGES FACED BY COMMERCIAL BANKS IN KENYA

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DECLARATION

This project is my original work which has not been presented for the award of any other degree/diploma in any other institution.

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DEDICATON

I dedicate this project to God, my parents Benson and Mary, brothers Kennedy and Victor who encouraged me all the way.

My love for you all can never be quantified. Thank you and May God bless you

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ABBREVIATIONS AND ACRONYMS

CBK-Central Bank of Kenya

RDT-Resource dependent theory

NGO-Non-governmental organization

DC-Dynamic capabilities theory

Abstract

Organizations face environmental challenges and to survive they must adopt appropriate responses. Commercial banks in Kenya face challenges from their external environment. The study sought to identify the challenges commercial banks face in their external environment and how they respond to those challenges. Through strategic responses that an organization can position itself to make sure there is continuous success hence cushioning itself from shocks around the environment. Kenyan banks are facing critical transformation efforts to manage the persistently varying business environment. The general objective of the study was to establish the effect of strategic responses on environmental challenges among commercial banks in Kenya. This study was based on three theories, resource dependency theory, dynamic capabilities theory and the institutional theory. The study used cross sectional descriptive research design. The target population was all 42 operational commercial banks in Kenya. The study established that diversification, new product development, outsourcing strategy, cost leadership management and competent influence environmental challenges at moderate extent.The findings were that commercial banks in Kenya face political, economic, technological and socio-cultural challenges in their operations. The commercial banks respond to these challenges by appropriate responses such as diversification, cost leadership, mergers and acquisitions and outsourcing. The study concludes that to survive, commercial banks in Kenya need to respond appropriately to the environmental challenges they face. Based on the findings, it is recommended that commercial banks should constantly identify the environmental challenges they face in the political, technological, socio-cultural and economic arena and adopt appropriate responses to those challenges in order to survive in a highly competitive market. The study faced limitations in that it focused only on commercial banks and did not cover the whole banking industry including cooperative societies, micro-finance institutions and mortgage companies. Suggestions for further research include an industry study to cover all the members of the industry including commercial banks, micro-finance companies, cooperative societies and mortgage companies to identify industry specific challenges. Further research can also be done on the impact of mobile and internet banking on the banking industry and how the industry has responded to that challenge.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Firms experience many variations within the environment, such as the nature economic reduction, the decrease in economic activities, decrease in giving out loans, high levels of competition, and any variations in the marketplace (Tansey, Spillane & Meng, 2014). Thus, to thrive in one organization must select a model of strategic responses that go along with the levels of environmental turbulence and come up with a resource endowment which complements the available strategy (Mintzberg, Ahlstrand & Lampel, 2009). Through strategic responses that an organization can position itself to make sure there is continuous success hence cushioning itself from shocks around the (Villa & Rajwani, 2013). The strategic responses to any kind of environment ensure critical variations toe firm's long-term decision (Pearce & Robinson, 2009).

This study was guided by the resource dependency theory, dynamic capabilities theory and the institutional theory. The resource dependency theory (RDT) indicates that as surroundings' are volatile, organizations need to adapt and respond faster than their colleagues (Powell & Rey, 2015).The dynamic capabilities theory states that dynamic capabilities enhance the efficiency, speed and accuracy of the responses to changes in the environment that finally enlighten performance and allows a company to take the advantage of any kind of opportunities and time its operations with the aim of decreasing costs (Wilden et al., 2013).The institutional theory indicates that organizations passively withstand any of kind of pressures so as to get support from stakeholders (Valle-Cabrera, 2006).

Banking institutions across the world are considered key agents in the growth and development of market economies and occupy a central position in the financial system of any nation. Commercial banks lead to more savings through ensuring that deposits and investments are advanced to business people (Al-Hawary & Al-Hamwan, 2017). Nevertheless, the surrounding in which banks across the globe operate has been volatile, and very versatile. Continued competition across other banking institutions and the entry of players in every industry sector forces the introduction of various response strategies that focus on raising the performance to attain competition top notch (Ndegwa, 2019). Banks across the world are passing through a critical period of changing various policies as well as culture, in which not all the current players are able survive (Ochieng & Kwasira, 2017).

The banking industry in Kenya are critical in the financial arena and they also avail a collection of services. Kenyan banks are liable in contributing to deposits of customers in liquid nature as well as lending any proceeds to commercial institutions (Ndung'u, Otieno & Rotich, 2016). Kenya itself boast of a well-developed financial sector, particularly for the region, but it is subject to government influence and improper supervision (Kathuni & Mugenda, 2012). In Kenya the existing financial sector is well structured but its subject to government interference (Awuor, 2014).

1.1.1 Strategic Responses

This is a market-based approach that stands for a substantive commitment to distinctive resources in the firm (Dess, et al, 2008). A strategic response entails the quest for a considerate competitive position within the industry so as to remain relevant (Pearce & Robinson, 2009). Responses of strategy represent actions that lead to creation and implantation of future term plans that seek to safeguard a company's survival and profitability (Delmas & Toffel, 2008). Response strategies are also described as creative reactions that necessitate the coming up of new associated patterns existing in the environment (Tansey, Meng & Cleland, 2013).Responses of strategy entail the variations within the firm's behaviours of handling strategy to verify success within the environment (Matabishi, 2015).

Response strategies are essential because firms are systems that are open with continuous interaction with the environment existing outside (Delmas & Toffel, 2008).A strategic response affects the direction of the organization in the long run and also entail huge resources to implement a strategic fit (Dess, et al, 2008). Companies come up with strategies to attain their objectives of continuous existence and a continuous development , and also pave way for the existing correlation among the firms and also the environment in which they do operate (Lim, Oo & Ling, 2010). Carefully aligned strategic responses do form a critical weapon for the organization to obtain and keep the organization at bay. (Muchiri, Ombui & Iravo, 2017).

Strategic responses form part of strategies which organizations structure to define their goals and policies (Tansey, Meng & Cleland, 2013). The response of strategies entails the variations in a firms' behavior of strategy. The responses could be of many forms in regard to the ability of the organization and the environment within which it operates. Strategic responses entail variations on the firm's strategy. Such reactions maybe of different categories based on the organizations' ability and environment in which it does its activities (Kiura, 2016).The variables related to strategy involve the mission , business approach and competitive approach .On the other hand, internal variables entail top management values , resources belonging to the organization , organizational culture and organizational structure (Caruana, Ewing & Ramaseshan, 2002).The responses may also involve some new products, new approaches and new processes of dealing with the markets. (Motanya, 2013).

1.1.3 Environmental Challenges

These are made up of variations in the variables within the external environment where an organization carries its operations. (Caruana, Ewing & Ramaseshan, 2002). Pearce and Robinson (2005) argue that the surrounding through which affirm is made up of all factors beyond the control of the firm. The challenges in the environment are those factors which have an effect to the performance of the firm. These challenges probably involve economic challenges, technological issues, political aspects, and socio-cultural challenges (New, Green & Morton, 2012)).

Firms do activities in diverse environment and uncertain creating the necessity to react to challenges in the environment in order to survive (Muchiri, Ombui & Iravo, 2017). The environment is hence source of constrains as well as opportunities that affect the terms on which organizations operate their business.Environmental challenges define chances and pressures facing the organization, art of changes in technological, state of global communication involving now than before and therefore the necessity to constantly change in reference according to the changes to be successful (Matabishi, 2015).The environment is quite complex and involve many factors such as governments and local communities, investors, and clients, each of which have different cultural approaches (Delmas & Toffel, 2008). The variables in the environment entail technological dynamics (Caruana, Ewing & Ramaseshan, 2002).

1.1.3 Commercial Banks in Kenya

The financial system in Kenya has been developed in sub Saharan Africa, consisting of a wide variety of banking industry (Awuor, 2014). The banking sector comprises the Kenyan Central

Bank (CBK), 40 banks and one mortgage finance (CBK, 2020). The CBK Act, Companies Act, the Act governing the banks, regulates banking system. The acts are geared towards spearheading the rising and maintaining of a strong monetary policy (Waititu, 2016). The sectors have experienced number of players competing, hence remain on course, they hence formulate and actualize strategies which enable them lure clients (Ndegwa, 2019).

The banking industry has a critical function in the actualizing of the government policies .Online financial institutions have enhanced support of vision 2030 to ensure continuous growth (Ndung'u, Otieno & Rotich, 2016). In Kenya, banks dominate the financial sector and any downtrend in the industry has vast effects on the growth of the nation. This is because bankruptcy in the sector has an effect leading to various bank runs (Ochieng & Kwasira, 2017).

The Kenyan banking industry however has in the recent past been faced by several changing economic conditions, changing client preferences, interest rates capping, new regulations and technological advancements (Ngaira, 2018).The sector still encounter corruption, challenges and difficulties in reaching out to various classes of people (Muriithi & Louw, 2017).In addition, the business arena within which the Kenyan carry out duties has been sensitive. The political interferences, new entrant's threats, SACCOs, Micro Finance organizations (Kiura, 2016).Competition among the various banks in Kenya increase, the various industry players have resulted into strategies that will enhance their survival and competitiveness (Kathuni & Mugenda, 2012).

1.2 Research Problem

Within the arena of uncertain environments, response strategies force companies to efficiently manage several disturbances (Tansey, Spillane & Meng, 2014). To attain success, an organization must be in line with the environment. The rate of reacting to the environmental challenges is a major origin of competitive advantage in several firms. (Pearce & Robinson, 2009). Nevertheless, firms' strategic responses are based on the type of firm, resources in the firm and economic stage (Bhaskaran, 2011). Some strategies are also deemed costly to implement with other having adverse impact on organizations human capital. In addition, the surrounding where firms operate keeps on changing hence posing various challenges to firms and management and thus the reason for coming up with appropriate and viable reaction strategies.Niwagba (2013) asserted that the application of strategic responses significantly influence environmental challenges of a firm.

The banking sector in Kenya is developed, growing tremendously and a large one in East Africa. However, the sector has-been a victim of environmental challenges (Muriithi & Louw, 2017). The sector has recorded a trend of banks failures, increased nonperforming loans levels, profitability remains low and costs are becoming hard to contain (Onjure, 2019). A number of banks among them Imperial Bank in 2015 and Chase bank in 2016 were placed under statutory management with others like Ecobank and Bank of Africa selling assets to recoup loses accrued from banking business. Moreover, Kenyan banks are facing critical transformation efforts to manage the persistently varying business environment.

On an empirical perspective, various studies exist on response strategies and environmental challenges. Shahada (2010) for example examined the strategic responses to environmental pressures among NGOs and documented political instability, institutional pressures and resources as the key environmental challenges but the study's context was not banks. Pogutz and Tyteca (2012) examined the managerial responses to environmental challenges and concluded technological innovations induce environmental issues while Finley (2002) examined the strategic responses to institutional pressures by NPOs and concluded that environmental challenges were properly managed through leadership and culture strategic responses by the studies did not focus on banks. Bhaskaran (2011) explored the strategic responses firms use under different situations and documented that every response depends on the firm type, resources and its size.

In Kenya, Nzioka (2017) examined the strategic responses to environmental challenges and competitive advantage of Fintech firms and found that the firms used strategic alliances, cost leadership, differentiation strategies though the context was not banking entities. Matabishi (2015) also examined the response strategies to environmental pressures and identified the key challenges as technological, financial, legal social and political changes though the study's context was NGOs. From the reviewed studies it evident organizations use different strategies to address various economic challenges. However, in spite the narrative of continuous research and extensive coverage on response strategies in the management, there is a serious lack of review of strategic response to environmental challenge in the Kenyan banking sector. The few available studies have used different methodologies with most of them focusing on different business sectors hence the studies are not limited to the banking industry. This study intends to bridge this research gap by examining, which strategic responses are applied by Kenyan commercial banks to respond to environmental challenges?

1.3 Research Objectives

The general objective of the study was to establish the effect of strategic responses to environmental challenges on service delivery among commercial banks in Kenya. The specific objectives of the study are;

(i) To establish major challenges in the environment faced by Kenyan commercial banks.
(ii) To establish strategic responses applied by commercial banks in Kenya to respond to environmental challenges

1.4 Value of the Study

The study will offer insight to the decision makers of commercial banks in Kenya to establish the various environmental challenges facing Kenyan commercial banks as well the various strategies which can be used to mitigate the environmental challenges. The management of the banking entities may use the study recommendations and conclusions to adopt effective response strategies to enhance bank performance and to mitigate both business and environment challenges.

Secondly, the finding of the study will benefit policymaking entities like the Central Bank of Kenya (CBK) and others like the Kenya Bankers Association, which generate policies to address the various environmental challenges facing commercial banks. Policy making entities may use the study recommendation to come up with policies to enhance competitiveness of the Kenyan banking industry.

Finally, the outcome of this study would be beneficial to academicians and researchers. The study findings will be relied upon to add a more knowledge on response strategies and environmental challenges. Future researchers and scholars who may want to undertake studies similar to this study may review and critique the study findings.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter discusses the study's theoretical background, the challenges facing organizations, the various strategic responses to environmental challenges and finally the empirical studies on strategic responses and environmental challenges.

2.2 Theoretical Foundation

The resource dependence theory (RDT), the dynamic capabilities (DC) theory and the institutional theory are the key theoretical considerations for this research.

2.2.1 Resource Dependence Theory

(RDT) emanated from Pfeffer and Salancik's (1978). RDT characterizes amenity as unique system, which is based on contingencies within the environment (Hillman, Withers & Collins, 2009).The structure considers organizational activities within the surroundings where the firm is found and also need to look for resources emanating from the environment. The look out on external resources is a critical part to any strategic and tactical managing of any firm (Powell & Rey, 2015).RDT argues that the environment avails important resources required by the firm. The surrounding is the key source of uncertainties. The degree of uncertainty changes based on the distribution of sensitive resources within environment (Shehada, 2010).

The central proposition of the RDT is that firms' survival is based on their capability to collect important resources from within the external environment. Therefore, Firms restructure their plans through a variety of tactics to decrease uncertainty within the flow of resources (Powell & Rey, 2015). RDT explains three key which entail environmental and environmental dynamics (Chen, 2019).However, RDT has been criticized that, by narrowing down to transactional interdependence the theory overshadows other critical environmental challenges on the firms, that do not only meet the threshold of technical constraints, but also react to a variety of demands existing within regulations(Gutiérrez□Rincón, 2014).

The theory indicates that survival of a firm is the firms' ability to pick resources in an uncontrolled surrounding. Thus, firms are attached to the surrounding through their reliance on other firms for resources gathered (Powell & Rey, 2015).The theory explains that the environments vary as resources also change as firms continue entering and exiting. As the surrounding scenarios change, organizations face the threat of either not being able to survive or adapt to changes in the environment (Shehada, 2010).The RDT in this study supports that that depending on institutional resources. Organizations do exercise different degrees of resisting and the act of being active to external pressures.

2.2.2 Dynamic Capabilities Theory

Teece, Pisano and Shuen (1997) conceptualized the (DC) theory as a continuation of factor-based theory of core competence so as to attain various forms of various competitive edges (Tansey, Spillane & Meng, 2014).The theory moves above the narrative that sustained competitive edge is anchored on a firm's ability to acquire valuable, rare, and certain special resources (VRIN). DCs are liable for ensuring firms interact and augur easily with the existing environment. Thus, DCs enable a firm to reconfigure its strategies to attain sustainable competitive advantage and superior performance in a rapidly diverse environment (Bleady, Ali & Ibrahim, 2018).

In the theory, dynamic abilities are widely regarded as those incorporating those procedures enabling firm's to maintain an above during a certain time (Wilden et al., 2013). Dynamic capabilities which promote higher kind of fitness ensure the firms survive and grow (Fainshmidt et al., 2019). However, a lot arguments have been presented against theory, e.g. the formation of the term itself as well as challenges in finding out the advantages of the outcomes from the theory, difficulties in finding out the DCs and the absence of certain aspects to evaluate these abilities and how they impact the performance of organizations. There is a critic of the theory as being repetitive and not effective in providing a complete answer in regard to how the DCs operate. The DC theories also do face challenges from not being clear on what constitutes its core concept. (Bleady, Ali & Ibrahim, 2018).

The theory supports that dynamic abilities contribute to a competitive edge in dynamic, munificent environments by ensuring different combination and low-cost abilities. In stable, environments, dynamic abilities are critical in support of a low-cost orientation (Fainshmidt et al., 2019). According to the theory, firms have to continually renew their resource base sustain an external rhyme with existing environment. Maintaining external fit can be attained by the deployment of dynamic capabilities (Wilden et al., 2013). In this research, the theory argues that a firm's competitive edge should therefore arise from its capability to restructure its competences to provide a solution to continually changing environment.

2.2.3Institutional Theory

The institutional theory emanated from Meyer and Rowan (1977) and was further advanced by DiMaggio and Powell (1983). This theory encompasses firms as a direct revealing of the laws and structures within the environment. The theory explains that the high victory of institutional focus occurs when rules and beliefs are steered and accepted but still remain clear to the firms they influence. This is to mean, firms be taken by environmental pressures not forgetting positive results, but because it is unstoppable to think otherwise (Raynard, Johnson & Greenwood, 2015). The theory posits that firms actualize business activities as this leads to legitimacy (Kauppi, 2013).

This theory is regarded as the critical theory of firms or a macro theory of firms-environment relations (Aksom & Tymchenko, 2020). The approach provides that firms find out legitimate actions by being conformed to the usual practices within their field (Delmas & Toffel, 2008). However, the institutional approach also has been increasingly questioned for its lack of attention to the role of a firm' self-interests (Kauppi, 2013). In addition, the theory narrows down to the material events of the environment as contrasted with believes (Powell & Rey, 2015).

The theory suggests several forms of various responses change from its conformity to resistance, passive, unawareness or control, unable or some influence rhyming towards pioneering. The strategic reaction of a firm is based on the institutional pressure on an organization (Handgraaf, 2012).The major rule of institutional theory is that firms are keenly intertwined in an environment and often are influenced by the forces and challenges of this surrounding (Shehada, 2010). In this study, the theory supports that once firms make organizations similar, Forces within the environment steer business activities.

2.3 Organizations and Environmental Challenges

All firms despite of their nature of their business do interact freely with the environment. Firms do focus on the environment for their survival, this entail if an organization operates in a free system (Pearce & Robinson, 2009). Organizations have to be aware of what is either happening in the environment through regular scanning and analysis in order to know how to respond to such changes proactively or reactively (Motanya, 2013). Organizations encounter environmental complexity and changes due to political factors, economic factors and trends, change in societal values, emerging new technologies and competition.

The Political arena define the legal framework parameters within which organizations must work (Awuor, 2014).Politically intrigued factors have an influence on the level of competition within a sector and the firm's strategic decisions, through government interferences in the industry. The constraints in the industry are based on firm's fair trade management roles, tax procedures, minimum wage rules, pollution, pricing strategies, and administrative rules (Motanya, 2013).Political ideologies are made up of government laws and legal aspects and define both formal and informal laws under which organizations carry out activities. These include tax enhancements, employment regulations, environmental rules, trade regulations, tariffs and political alignments (Delmas & Toffel, 2008).

Economic rules involve course and direction for the economy in which a firm operates (Matabishi, 2015). Economic surrounding ensure that the direction of the economy in which an industry. Firms will always seek to engage in competition especially in stable economies (Pearce & Robinson, 2009). A number of the economic factors at international level taken into consideration entail, availability of credit, attainment of disposable income, ability to spend, rates of interest, rates of inflation, and growth of national product.

Societal factors that influence the firm activities such as beliefs, opinions and way of life of people in the firm's external surrounding. As social behavior change, the need for several goods and several charges also vary. Very critical several variations in the previous years which continue to influence organizations encompass a change in age spread ; finding out the aspirations of clients and staff in change -of-life factors ; and coming in of a great number of female gender to market (Pearce & Robinson, 2009).Societal factors do entail population and intercultural factors of macro environment. Some critical aspects are population growth, age limit, career progress and emphasis on safe measures (Kiura, 2016).

Technology aspects can reduce the hindrances to entry, lower minimum production rates and affect borrowed decisions (Matabishi, 2015).Even if, technological aspect do play a critical role in the developing of the financial sector in out coming economies. The application of technological aspects in finance industry. The use of mobile banking and internet banking create several clients access to the banking industry and the critical factors which are affected (Awuor, 2014).Technological change is critical as it creates new products, services, and, in some cases, entire new industries and could be critical effect on a firm's outcome. A number of this involves creativity and innovation, automatic responses, technology activities as well as rating on technology variations (Kiura, 2016).

Competition is an aspect that influences the business surrounding in any sector. Competition denotes the activity of firms which seek to achieve the benefits that others want to gain at the same time and in the same conditions (Zelga, 2017).Competition is always on the rise and can't be avoided in almost every business environment and the amount of competition that a firm faces affects its level of customer satisfaction. In any business setting the prices are very low due to the bargaining power is left under the responsibility of the buyers. The prices are to maintain purely lower since the glory of starting is normally in the responsibility of the buyers. In a hyperactive competitive advantage, a firm endeavors to start a value, non-substituted marketing abilities to ensure a competitive edge (Chahal & Kaur, 2013).

2.4 Strategic Responses to Environmental Challenges

The literature related to strategic management argues that a man's strategy must be ensure aligned with the surrounding. Strategic issues are regarded as critical spearheads in handling the environmental challenges and reacting to the client's needs (Muchiri, Ombui & Iravo, 2017). However, several firm's strategies variate from firms' to any other affected through external and inside factors. Thus, the selecting a strategy is a critical step in the developing of a need process (Villa & Rajwani, 2013).Banks use different strategies to respond to competition or any force in the environment including restructuring, technological innovation, diversification, marketing, enterprise risk management, generic and networking strategies.

Restructuring entails the varying an organizational arrangement with the aim of making sure that activities are important to the strategy of a firm to function and ensure it is efficient (Pearce & Robinson, 2008). Firms uses different types of restructuring some of such as ; lowering , process of business upgrading , down edging and levering buyouts(Ngaira, 2018). Reduction of labour is dealing with a critical number of labor force in a firm , specifically lower level management when activities process increasing is the critical re-reasoning and coming up with trading activities to attain considerable increasing in important culture measures of outcomes (Finley, 2012).

For companies that have built their businesses around offering technological capabilities to clients, technological turbulence is a factor that they should be keen on if they are to succeed. The application of several technologies and critical ideologies so as to avail efficient services to customers has been recognized to be critical for firms which intend stand out in critical times. Through inventions, service arrangements are regarded to provide critical higher edge and achieve proper customer satisfaction (Aghimien et al, 2018) Wide spread strategy is the activity of engaging new trading markets. Such hard work may be taking into consideration may be through getting or through an extension of a firms' which exists abilities and endowment (Motanya, 2013).Widespread strategy hard work could be taken into consideration may be to ensure we get or through extending of the Firms' existing abilities and resources. Diversification may occur either through any business units or at the company level. At the corporate unit level, it is properly in a position to widespread into a new room of sector in which the industry is actually in. At the business level, it is generally going through a promising business out of the scope of the existing business (Ngaira, 2018).

Marketing strategies focus on firm's efforts and endowment on a course of action which could to increased sales and dominance of a focused market niche. Any strategy in marketing should be geared on the main idea that entails customer satisfaction is the proper goal. The marketing strategies include pricing, delivery and distribution, extending products, and promotion. Marketing strategies ensure an organization to meet clients' needs and wants and build networks with, distributors and other clients that consequently ensure the business does well (Chahal & Kaur, 2013). Marketing strategies helps organizations to bridge the gap among the spearheading technicalities of the market and its capability to withstand with this technicality to attain not only the demand but also to stay ahead of all the competitive parties (Onjure, 2019).

(ERM) is quite a new method to tackling critical issues which face organizations. Firms later face a variety of risks that, if not dealt with and brought into an overall strategy, may result in lost revenues (Hughes, 2009).ERM processes ideally enable the catalogue risks among categories, provide them with weights and means and compare them with other functions which have means and the ability to take care of them. The happenings faced by firms have been carefully regarded as operating, and credited. Ways of managing the risks entail; reducing risks, transferring risks, mitigating risks (Ngaira, 2018).

A generic approach is a main idea about how an organization can properly compete in the market place. Generic ideas e.g. cost leading, market segmentation, and a narrow pointer that is regarded highly as a strategy for firms (Tansey, Spillane & Meng, 2014). This approach entails an explanatory pursuing of cost lowering, tight cost and overhead controlling, and cost minimization in areas such as R&D, sales force, service, and advertising (Li & Ling, 2012). The widespread approach is correlated with making a difference in the service, by ensuring a critical element is regarded as being necessary ,hence allowing the firm to ensure a greater than average prices. The approach narrows down towards specific client, part of the market, or geographic region and the focus is anchored towards a specific target very well (Pogutz & Tyteca, 2012).

A wide network ensures social relations that involve critical duties, kinship rights, knowledge of the identity of followers, and previous relations among those transacting. An organization need to focus above the profit and market relations, and point on social relationships. The governing of large network is based on implicit contracts. Taking care of the relations is by effort, threats of means, and lowering and not by enforcement. Various network strategies include partnerships, interactions, affiliations, security, levels, strategic leadership, vertical rise, and cooperative loans (Li & Ling, 2012).Through the level strategy organizations may increase their alignment within the sector, hence leading to more jobs (Aghimien et al., 2018).

2.5Empirical Studies and Research Gaps

A study by Ngaira (2018) investigated the strategic responses employed by Sidian bank to external environmental turbulence. The study employed a survey design and data was collected from bank employees using questionnaires with descriptive statistics being used for analysis. The study found that political discontinuity, economic disruptions, social cultural changes, aggressive competition, technology adoption and innovation were the major environmental challenges facing Sidian bank. The major response strategies included restructuring, venturing into new markets, focus strategy and product diversification. The study however focused on a single bank in Kenya and did not collect data across the banking sector.

Danforth, Weidman and Farnsworth (2017) examined the methods applied by construction firms during the great recession. The study collected data using questionnaires from 57 respondents who were sampled through stratified sampling. The study documented that, out of 124 different strategies the mostly employed strategies were contracting, financial management, cost control, risk management, investments related and human resources responses. The context of the study was commercial construction findings as opposed to the banking sector.

Ochieng and Kwasira (2017) found out the critical reactions to many pressures on the outcome of banking industry in Nakuru. The study used a survey and picked data from 260 respondents using questionnaires. Using descriptive statistics, the study found that CBK regulations, fierce competition, coercive pressure, social normative pressures and mimetic pressures affected Kenyan banks performance. The study however focused more on institutional pressures and not environmental challenges.

Tansey, Spillane and Meng (2014) the findings indicated that cost leadership strategy was the most effective strategy during economic downturns followed by control initiatives initiated by the companies. The study's context was however construction firms and not banking entities and a case study was used hence a methodological gap.

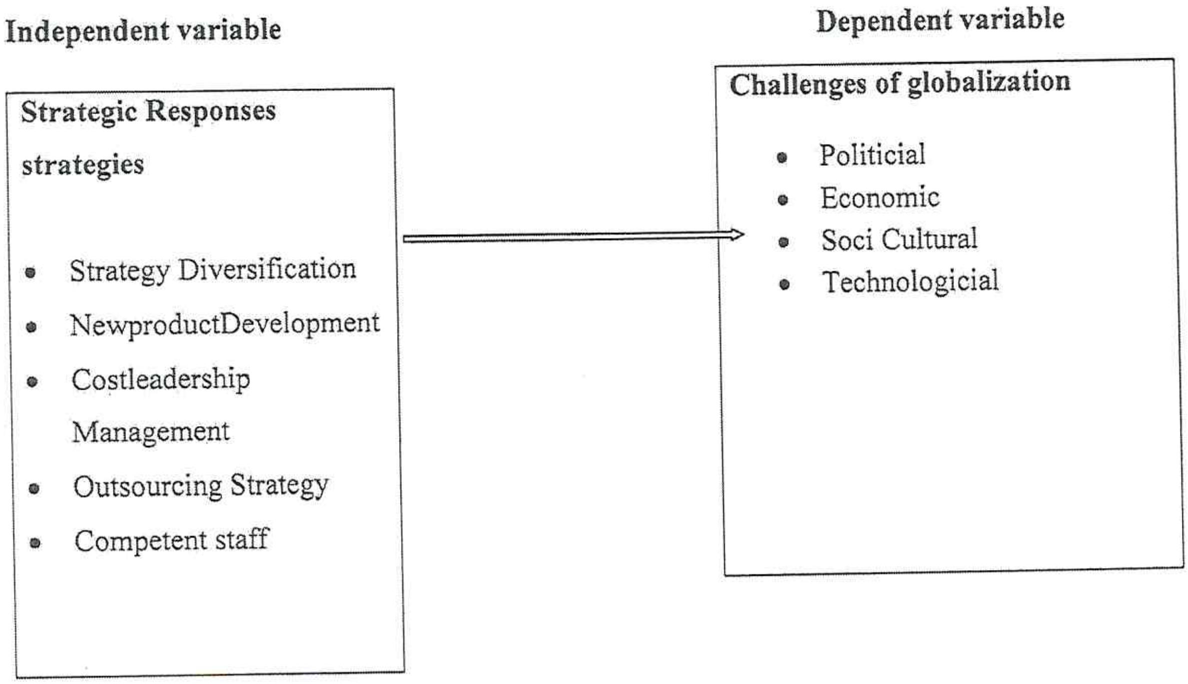
Elung'ata (2014) found out the strategic guidelines adopted by Kenyan mobile phone companies to changes in the telecommunication sector. A set of survey design was adopted and data picked using questionnaires from four firms. Using descriptive statistical tools the study found that the key changes in the industry included technology, customer preference, decrease in the interconnectivity charges, socio-cultural changes, tax laws, financial regulations, increased cost of network infrastructure and consumer protection laws. They key response strategies included innovation, marketing, leadership, change management and restructuring. The study however focused on the telecommunication sector and not the banking sector.

In Slovenian, Čater, Prašnikar and Čater (2009) examined the response strategies and their intentions and trading activities. Data was collected from 153 manufacturing firms using questionnaires and the regression model used for analysis. The study found that production, marketing strategies, purchasing and personnel strategies were the key response strategies to environmental challenges. The study also found a creative but weak relation among environmental reactions and firm production. The context of the study was however manufacturing firms thus the findings may not be replicated to the banking sector.

Delmas and Toffel (2008) examined the firm's reaction to environmental needs. The study employed a survey and collected data from 500 participants. The study found that outside elements such as clients, fighters, parliamentarians, local houses, and environmental fighters and organizations affected decisions made by managers. The study also found that organizational responses significantly affected environmental demands. The study however focused more on environmental demands as opposed to environmental challenges.

2.6 Conceptual Framework

Figure2.2: Conceptual Framework



CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This explains the design, the composition, data picking and finally the techniques of analyzing data.

3.2 Research Design

A research design is a method picked chosen by a researcher to sum up several elements of a research in line and critical process which allows the research questions to be addressed (Sekaran, 2006). This study will adopt a descriptive survey. A descriptive research design endeavors to explain a subject, by coming up with a profile of a group of challenges, persons, or events, through data collection data and tabulating of the needs on variables or their integration (Cooper & Schindler, 2007). A descriptive approach can be brought into reality by coming up with a snapshot of the market environment, regarding the elements under question, at a critical time. The approach ensures that it can do analyze what, when, who, and the place regarding a certain relevant and the degree of within the variables.

3.3 Population of the Study

A population is made up of a several objects with similar traits applied in making inference (Kothari, 2011).The population of this study comprises the 42 operational commercial banks in Kenya. The study will thus carry out a census of the 42 operational Kenyan banks and the unit of analysis will be strategic managers. Cooper and Schindler (2007), states that a census is appropriate where a minor population and essential where the elements remain unattended too. Therefore, with small population and commercial banks listed, the banks are normally assessed with some certainty hence a census is applicable for the study.

3.4 Data Collection

The research used primary data which shall be gathered through a use of questionnaire as the critical method of data collection. The questionnaires were given to the managers in charge of strategy or their equal measure in the 42 operational commercial banks in Kenya. The questionnaire were broken down into three parts where the 1st part collected data on the commercial banks general knowledge. The 2nd and the third parts used Likert scale dependent on various environmental challenges affecting Kenyan banks and the strategies they employ to address the challenges. A good questionnaire is a critical method to come up with a wide variety of information from a large sample size which is easier to analyze (Kothari, 2011).

3.5 Data Analysis

In this research, tools of descriptive statistics were employed to analyze the collected data using the SPSS software. In statistics of description, central measures, such as average, maximum, minimum, are used to organize and do a summary of collected data in a meaningful way. Inferential statistics entails factor analysis which were used to identify the major environmental challenges facing Kenyan banks and the key response strategies used by the banks. The analysis of factor is anchored on the idea that observable and measurable variables are reduced to fewer variables sharing a common variation and are not regarded as a concept referred to as dimensions reduction. The analyzed data was presented in graphs and tables.

CHAPTER FOUR: DATA ANALYSIS RESULTS AND DISCUSSION

4.1 Introduction

Chapter four presents the data obtained from the respondents, an analysis of the same, and subsequently the research findings on how the environmental challenges affect commercial banks. The section also presents the strategies such banks use to overcome and survive environmental problems. The primary data applied in the study was collected using questionnaires administered both physically and by email. The data was summarized through descriptive statistics.

4.2 Response Rate

The researcher achieved a 96.5% response rate, an equivalent of 83 filled questionnaires out of the 86 questionnaires administered. A significant response rate was achieved because of the questionnaires we adequately targeted. To increase the response rate, questionnaires were sent out via email, and in cases of delayed or distorted response, the researcher sought the information by visiting the banks' headquarters within Nairobi. The response rate was therefore adequate for the data to be representative of the study population, as suggested by Mugenda and Munda (2003), who asserts that a response rate of 50% and above is reasonable.

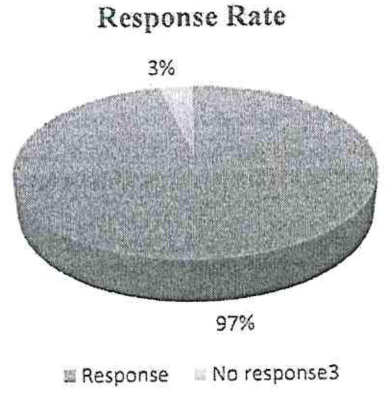


Figure 4.1 Response rate

4.3 Position Held in the Bank

The study also sought to find out the positions the respondents held in the respective banks. According to the findings, top-level managers comprised 54.28%, while middle-level managers comprised 45.75% of the respondents.

	Frequency	Percentage
Top-level manager	45	54.28%
Middle-level managers.	38	38%
Total	**83**	**100%**

Figure Table 4.1 Position held in the bank

4.4 Number of Branches

	Frequency	Percentage
Above 100	5	12%
50-100	4	9%
Below 50	35	79%
Total	**42**	**100%**

Table 4.2 Number of Branches

As part of the demographics, the study also sought to find out the number of branches operated by the various banks. According to Table 4.2 above, 12% of the banks have the most branches, above

100. The banks with branches of 50 -100 account for 9%, while those with 50 branches and below account for 79%.

4.5 Environmental challenges faced by Commercial banks in Kenya

Has your bank faced political challenges in recent years?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	83	100.0	100.0	100.0
	No	0.0	0.0	0.0	100.0
	Total	83	100.0	100.0	

Table 4.3 Political Challenges

According to Table 4.3, 83 respondents, an equivalent of 100%, agreed that they had been affected by political challenges in the environment. This makes political challenges a significant issue.

Has your bank faced economic challenges in recent years?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	81	97.6	98.0	98.0
	No	2	2.4	2.0	2.0
	Total	83	100.0	100.0	

Table 4.4 Economic Challenges

According to Table 4.4, 81 respondents, an equivalent of 97.5%, agreed that they had been affected by political challenges in the environment. Conversely, 2 respondents, an equivalent of 2%, disagreed declared that they have not faced political challenges in recent years. This makes political challenges a critical factor.

Has your bank faced socio-cultural challenges in recent years?

		Frequency	Percent	Valid Percent	Cumulative Percent
	Yes	60	72.3	72.0	100.0
Valid	No	23	27.7	28.0	100.0
	Total	83	100.0	100.0	

Table 4.5 Socio-cultural challenges

According to Table 4.5, 60 respondents agreed that socio-cultural factors have posed challenges to their banks in recent years, and this is representative of 72.0%. On the other hand, the remaining 23 respondents, an equivalent of 28% disagreed that their banks had been affected by social-cultural challenges in recent years.

Has your bank faced technological challenges in recent years?

		Frequency	Percent	Valid Percent	Cumulative Percent
	Yes	57	68.6	69.0	100.0
Valid	No	23	31.4	31.0	100.0
	Total	83	100.0	100.0	

Table 4.6 Technological challenges

According to Table 4.5, 57 respondents agreed that technological factors have posed challenges to their banks in recent years, and this is representative of 69.0%. On the other hand, the remaining

23 respondents, an equivalent of 31% disagreed that their banks have been affected by social-cultural challenges in recent years.

Has your bank faced environmental challenges in recent years?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	39	47.0	47.0	100.0
	No	44	53.0	53.0	100.0
	Total	83	100.0	100.0	

Table 4.6 Environmental challenges

According to Table 4.6, 39 of respondents agreed that environmental factors have posed challenges to their banks in recent years, and this is representative of 47.0%. On the other hand, the remaining 44 respondents, an equivalent of 53.0% disagreed that their banks have been affected by environmental challenges in recent years.

Strategies	N	To a large extent 5]	To an extent [4]	Disagree nor Agree [3]	Disagree [2]	Not At all [1]	Total (%)	Mean Score	S.E
Economic	83	61.2	2.4	17.1	6.8	2.4	100	4.22	.154
Political	83	40.9	48.5	9.3	0.00	1.3	100	4.16	.121
Technological	83	15.0	34.0	24.2	12.4	14.3	100	4.00	.129
Socio-cultural	83	9.0	22.4	28.6	16.6	23.1	100	3.85	.148

Environmental	83	5.00	9.0	30.1	23.4	34.4	100	3.60	.110
Total	83								

Table 4.7 Extent to which environmental challenges affect banks

According to Table 4.7, the respondents showed that the most prevalent environmental challenges were economic since it had the highest mean of 4.22 relative to other variables. It is the most prevalent given the seasonal changes in economic elements such as interest rates, inflation, and economic slowdowns in the environment. The second challenge that significantly affects the banks is political, with a mean of 4.16. This challenge stems by the fact that the Kenyan banking sector is highly regulated characterized by frequent regulations to ensure sanity in the market. Technological challenges are also notable in the Kenyan environment, primarily because of reduction on brick-and-mortar orientation to technology-based platforms to offer services to customers. The other environmental elements which affect commercial banks, as indicated by the respondents, are socio-cultural and environmental variables which have a means of 3.85 and 3.60, respectively.

4.6 Response Strategies to Environmental Challenges

Strategies	N	Strongly Agree 5]	Agree [4]	Disagree nor Agree [3]	Disagree [2]	Not At all [1]	Total (%)	Mean Score	S.E
Diversification	83	51.2	2.4	17.1	26.8	2.4	100	4.22	.154
Cost leadership strategy	83	.00	41.5	29.3	0.00	29.3	100	4.00	.121

Mergers and acquisitions	83	39.0	2.4	22.0	2.4	34.1	100	4.00	.148
Outsourcing strategy	83	0.00	39.0	34.1	2.4	24.4	100	3.85	.129
Cost focus	83	0.00	39.0	34.1	2.4	24.4	100	3.85	.110
New product development	83	4.9	8.9	18.0	24.4	43.9	100	3.78	.162
Differentiation focus	83	20.4	17.8	27.0	20.0	42.8	100	3.78	.122
Employment of highly competent staff	83	4.9	4.9	22.0	24.4	43.9	100	3.78	.162
Total	83								

Table 4.7 Strategies adopted commercial banks

According to Table 4.7, the most used strategy is diversification, with a mean of 4.22. This situation can be associated with the provision of unique products and services to meet customers' unique and diverse financial needs. The second and third strategies used by commercial banks are cost leadership and mergers and acquisition, each with 4.00. The banks use cost leadership to offer competitive prices for various financial products. Merges and acquisitions is also a strategy being adopted by commercial banks to rise the market share and to achieve synergies. The banks also use outsourcing and cost focus with a mean of 3.85 each. The other response strategies to tackle environmental challenges the commercial banks face are cost focus, new product development, and employment of competent and skilled employees, which have means of 3.78 each.

4.7 Regression Analysis

Regression analyses were used to ascertain how commercial banks is supported by strategic response by utilizing the determination coefficient (r^2) and also to forecast the connection among variables by use of β coefficient. In order to determine the percentage of the dependent variable (environmental challenges) being predicted by five predictor factors, analyses of multiple regression was performed

4.7.1 Model Summary

Analysis of Multiple regressions was conducted to highlight effects of predictor variables on dependent variables. Table 4.7 indicates the model summary.

Table 4. 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.920[a]	.846	.652	.582

a. Predictors: (Constant),

Source: Field Data (2021)

In Table 4.7 at significance level of 0.005, the outcomes show that R and R^2 were 0.920 and 0.846 respectively. There is a robust association of strategic response and environmental challenges as evident by R=0.846.The results also indicated that 84.6% of variation in service delivery is shown by predictors in the model, while 15.4% variation is unexplained due to other factors that are not in the model.

4.7.2 Goodness of Fit of the Model

The regression model used was fit for the data collection; the researcher performed Analysis of Variance (ANOVA). As shown on Table 4.8

Table 4.8: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.245	5	.063	1.465	.013b
	Residual	1.173	77	.043		
	Total	1.165	82			

Source: Field Data (2021)

The Table 4.8 indicates the ANOVA output. When determining the significance of the coefficient of determination, this Table shows that at α= 5%, the f statistic is 1.465. There is a p value of 0.013< 0.05 which is significant. This implies that strategy response parameters are significant in predicting environmental challenges.

4.7.3 Model Regression Coefficients

The presentation in Table 4.9 shows significant values, t-statistics, standardized and unstandardized coefficients

Table 4.9: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B (β)	Std. Error	Beta (β)		
(Constant)	.279	.756		.3690	. 001
Diversification	.256	.239	.145	1.071	.000
New product Development	.174	.159	.254	1.094	.000
Cost leadership Management	.149	.125	.315	1.192	.019
Outsourcing Strategy	.170	.273	.124	.622	.000
Competent staff	.167	.156	.139	1.071	.000

a. Dependent Variable: environmental challenges

The regression coefficients illustrated in Table 4.14 show that a relationship exists between strategic response and environmental challenges of commercial banks. Diversification posted $p=0.000< 0.05$, New product development posted $p=0.000 <0.05$, Cost leadership management posted $p= 0.019 < 0.05$ and Outsourcing strategy posting $p=0.000 < 0.05$. Competent staff posted $p= 0.000 < 0.05$.This Significance test was conducted at alpha=0.05 in which the significance exists when p records a value < 0.05. The results show that the parameters of strategic response possess a significant with environmental challenges.

The linear model then stands to be;

$$Y=0.279+0.256X_1+0.\ 174X_2+0.149X_3+0.\ 170X_4+0.\ 167X_5$$

As per the findings, when all other independent factors are held constantly, increasing the Diversification parameter in relation to strategic responses by a single unit will result to a 0.256 change in environmental challenges, increasing new product development parameter in relation to strategic response by a single unit will result to a 0.174 change in environmental challenges, increasing cost leadership Management in relation to strategic response by a single unit will result to a 0.149 change in environmental challenges. Outsourcing Strategy in relation to strategic response by a single unit will result to a 0.170 change in environmental challenges. Finally increasing competent staff in relation to strategic response by a single unit will result in a 0.167 change in environmental challenges of commercial banks.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This final chapter summarizes the research findings and the recommendations and conclusions of the research. The study endeavored to determine the various environmental challenges facing commercial banks in Kenya and the response strategies they use to address the problems and attain competitive advantage, hence presenting findings. Subsequently, the chapter also presents recommendations to the relevant stakeholder groups and the basis for subsequent studies.

5.2 Summary

The study sought to determine environmental challenges commercial banks as they go about their operations in the business environment. Kenyan banks operate in an environment characterized by different variables that affect their activities. To adopt effective strategies to achieve a sustainable competitive advantage, banks must first understand the different environmental challenges. According to the data analysis outcomes, Kenyan banks are affected by political, economic, technological and socio-cultural, and environmental challenges. The most significant challenges that the banks need to prioritize are economic, political, and technological challenges. At the same time, the banks also need to devise ways of dealing with socio-cultural and environmental challenges that characterize their environment.

The study also sought to establish the strategies commercial banks use to respond to the challenges mentioned above. According to the data analysis outcomes, the most used strategies in response to environmental challenges among Kenyan commercial banks include diversification, cost leadership, and mergers and acquisitions. Besides the above three strategies, the banks also use outsourcing and cost focus as part of the strategies in tackling environmental challenges.

Furthermore, the banks also rely on differentiation focus, product development, and the employment of competent staff to remain adaptive to the environment and achieve competitive advantage. In terms of strategic priority differentiation, cost leadership and merger and acquisitions seem to be the leading strategies that any bank need to adopt to overcome environmental challenges. Their primary strategies are supported with other strategies such as outsourcing, cost focus, differentiation focus, and employing competent employees.

5.3 Conclusion

The findings of the study indicate that commercial banks operate in an environment that is characterized by several intervening factors. Therefore, banks need to monitor such factors and their effect on business and determine the best way to ensure sustainable business continuity. Without appropriate strategies, banks are likely to lose synergy and their competitive edge, thus leading to their demise, as witnessed in recent years. Kenyan banks are actively trying to outdo the environmental challenges by using various strategies such as differentiation, cost leadership, mergers and acquisitions, cost focus, product development, differentiation focus and employment of competent staff.

It is concluded that commercial banks in Kenya use the above strategies to survive the environmental dynamics and gain a competitive edge. Notably, Kenyan commercial banks each rely on more than one strategy to remain competitive. After adopting primary strategies such as differentiation, cost leadership, and mergers and acquisitions, they also need other supportive strategies such as cost focus and employment of highly competent and skilled staff. Notably, banks in Kenyan use the red ocean strategy since the different strategies can be observed across all the commercial banks operating in Kenya. This trend, therefore, increases competition, and banks have to be creative for them to be sustainably competitive.

5.4 Recommendations of the study

5.4.1 Policy Recommendations

The study has established that commercial banks face several political challenges, such as stringent laws and regulations that affect banking operations. Therefore, policymakers such as the Central Bank need to enable lays that promote growth and competitiveness in the industry. Moreover, the government needs to make sound economic decisions that shape interest rates and exchange rates to accord the banks a sound operational environment. At the same time, Kenyan commercial banks haphazardly employ a mixture of all strategies without adequate planning. It is, therefore, necessary for the regulators to closely monitor the banking sector to ensure its soundness and the safety of customers. The government also needs to pay close attention to the quality of services customers receive to prevent possible exploitation want wanting quality of services.

5.4.1 Management Recommendations

On average, Kenyan commercial banks use a red ocean approach that entails adopting all the existing strategies at once. Bank managers thus need to find unique ways to remain competitive such as constant innovation. Further, commercial banks must remember that the environment is highly dynamic and keeps on changing. As a result, they must to progressively monitor and review their strategies relative to the prevailing changes in the environment for them to remain sustainably competitive and to thrive despite dynamic environmental shifts.

5.5 Limitations of the study

This research faced significant financial constraints, which prevented the researcher from collecting data from a bigger representative group to make the finding befitting for the entire population of commercial banks. Further obtaining accurate information from the respondents was challenging since most managers were hesitant to avail some information considered confidential by their superiors and counterparts. This situation caused the risk of some pieces of information being unreliable. Fortunately, this issue was addressed through the signing of non-disclosure agreements. Besides, the study focused only on a handful of strategies used by commercial banks, which limited having the right picture of the entire commercial banking industry. Finally, the Covid-19 pandemic proved to be a significant obstacle characterized by the lockdown of several counties, employees being forced to work from, and social distancing protocols. This presented the challenge of collecting data physically and interacting with the bank managers extensively.

5.6 Suggestions for further studies

Further research should investigate the reasons for the different strategies used by banks. This will help determine the different challenges that each strategy seeks to address. Second, similar research should also be done on microfinance institutions and other financial entities to better the Kenyan financial industry. Moreover, subsequent studies should gather data from a more significant number of respondents for the research findings to represent the whole population of commercial banks fully. Finally, further research should examine how banks have responded to environmental challenges to understand how strategy can be tailored for the varying environmental conditions.

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APPENDICES

Appendix 1I: Questionnaire

This questionnaire seeks information on environmental challenges facing commercial banks in Kenya and strategic responses of commercial banks to environmental challenges.

Part A: Demographics

1. Name of Bank...

2. Position held...

3. Number of Branches...................................

Section B: Strategic Responses

To what extent do you agree with the following attributes on strategic responses exhibited by your bank? Using a scale of 1-5, tick the appropriate answer from the alternative provided.1=No extent, 2=little extent, 3=Moderate extent 4=Great extent,5=Very great extent.

Component	1	2	3	4	5
Diversification					
Management facilitates employees' meaningful making of changes to achieve the envision future through communication					
The bank has a clear set of goals and all employees are aware of these goals					
The firm adequately leverages its resources by accumulating, combining and exploiting the resources					
The firm employs effective training and development programs					
The core competencies of the firm are understood at strategy formulation stage and then emphasized when implementing selected strategies					
The firm encourages sharing of resources across the firm's units, especially the employees' knowledge and skill					
New product Development	**1**	**2**	**3**	**4**	**5**

Loan systems have been integrated with members' mobile phones to facilitate mobile loan application					
Members can receive SMS alerts regarding their loan application status					
Members are notified of their loan approval standings.					
Members are able to receive frequent alerts on individual credit scores					
Bank has a system of monitoring adequacy of provisions for loan performance on monthly basis					
The bank has a way of engaging guarantors using online platforms					
Cost leadership Management	1	2	3	4	5
Layoffs have helped the company cut down its operational expenses.					
Layoffs have increased current employees' commitment to their jobs.					

Asset retrenchment has given the organizational a great control of the business.					
The bank is able to make quick decisions when responding to emergencies					
The bank is able to re-assign organizational staff immediately to respond to emergencies					
The bank is able to re-allocate organizational priorities quickly.					
Outsourcing Strategy	1	2	3	4	5
Market positioning can help the bank to build their image					
Market positions can help the bank to create proper appeals in the minds of the target market					
Attribute positioning based one or more outstanding attributes					
Positioning can allow the bank to fulfill the requirements of their target markets					
User positioning by positioning services with users in mind using personalities					
Product positioning by providing exceptional quality of services					

Employment of highly competent staff	1	2	3	4	5
The organization offers a unique service which provides high customer loyalty					
The variety offered by the bank has increased reliability of our services in the industry					
The uniqueness of our brands enhances product choice by customers					
The variety offered by the bank has increased reliability of our service in the industry					
Good communication channels to ensure customer acquisition and retention					
Going directly to the end user to promote sales					

Section C: Environmental challenges faced by Commercial banks in Kenya

What environmental challenges has your bank faced in recent years?

	Yes	No
Political	☐	☐
Economic	☐	☐
Social-cultural	☐	☐
Technological	☐	☐
	☐	☐

Appendix ii: List of Licensed Commercial Banks

1) AFRICAN BANKING CORPORATION

2) GUARANTY TRUST BANK(K)
3) BANK OF BARODA(K)
4) GUARDIAN BANK
5) BANK OF INDIA
6) GULF AFRICAN BANK
7) ABSA BANK OF KENYA.
8) HABIB BANK A.G. ZURICH
9) BANK OF AFRICA KENYA
10) HABIB BANK
11) IMPERIAL BANK
12) STANDARD BANK OF MAURITIUS
13) I & M BANK
14) CITIBANK N.A KENYA.
15) NCBA BANK
16) KINGDOM BANK
17) CONSOLIDATED BANK OF KENYA.
18) COOPERATIVE BANK OF KENYA
19) KCB BANK KENYA
20) CREDIT BANK.
21) MIDDLE EAST BANK(K)
22) DEVELOPMENT BANK OF KENYA
23) NATIONAL BANK OF KENYA
24) DIAMOND TRUST BANK
25) DIB BANK
26) M-ORIENTAL BANK
27) ECO BANK KENYA
28) PARAMOUNT BANK
29) SPIRE BANK.

30) PRIME BANK

31) EQUITY BANK KENYA

32) SIDIAN BANK

33) FAMILY BANK.

34) STANBIC BANK

35) FIDELITY BANK

36) STANDARD CHARTERED BANK KENYA

37) FIRST COMMUNITY BANK

38) TRANS NATIONAL BANK

39) UBA KENYA BANK

40) MAYFAIR BANK

41) VICTORIA COMMERCIAL BANK.