STRATEGIC RESPONSES OF BARCLAYS BANK KENYA LTD TO CHANGES IN RETAIL BANKING IN KENYA

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ABSTRACT

The objectives of this study were to document the strategic responses of Barclays bank to the changes in retail banking and the relevant strategic responses made. Content analysis was used, as an interview schedule was the tool for data collection. The collected data was analyzed interpreted in line with the aims of the study. Ten people were interviewed i.e. three executive directors and seven senior managers in Nairobi where the headquarters of Barclays bank are located. All of them had some sound experience in the bank of more than 10 years.

The following conclusions were made. First the barriers to entry into the banking industry are many. Barclays bank has been responding to the environmental changes that have influenced its competitive situation using asset and liability strategy, market strategy, human resource strategic, IT strategy and organizational strategy

Thirdly, Barclays bank has been in the process of undertaking corporate restructuring. The restructuring has mainly been in the form of: Changes in senior management in preference to locals, with specialists executive directors being appointed to head the new market segments; redesigning of jobs and relevant performance measures; voluntary early retirement (VER) schemes; shorter reporting lines; disposal of non core assets and businesses; outsourcing of non core service such as the printing of stationery and mail distribution across the bank. Fourthly, Market segments have been redefined and the marketing function being re–organized into retail and corporate divisions. The major objectives were to establish whether or not the products were relevant or not and what the customer needs are.

Fifthly, the bank has been making changes in its information technology systems in response to its changing competitive situation. The open standard system would facilitate better interconnectivity of the bank's branch network as well as with the its clients by taking advantage of the technological innovations within the bank.

Sixthly, there have been many changes at Barclays bank hence a culture shift since the white dominated management has given rise to an equal opportunity organization Barclays is

encouraging among staff a more customer – focused service approach through the use of the concept of customer First" and the "quality Experience", aimed at delivering real value for the customer's money.. Lastly, the strategic responses made by Barclays bank in the process of adapting to its changing competitive situation are adequate. They attributed this adequacy to the bank's currently sound financial performance, management and investment on IT in a dynamic competitive environment.

The following recommendations were also made, that Barclays bank should first deal with issue of resistance to change for it to implement any change to remain competitive and enhance its strategic capabilities. Secondly, invest more on ICT and internet for its wide network of outlets.