EdinBurg Peer Reviewed Journals and Books Publishers
Journal of Strategic Management
Vol. 3||Issue 2||pp 1-14||July||2023
Email: info@edinburgjournals.org||ISSN: 2789-4851

Customer Service Strategies and Bank Performance in Kenya. A Survey of Selected Commercial Banks in Eldoret Town, Uasin Gishu County Kenya

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How to cite this article: William, N. C., & Njuguna, J. (2023). Customer Service Strategies and Bank Performance in Kenya. A Survey of Selected Commercial Banks in Eldoret Town, Uasin Gishu County Kenya. *Journal of Strategic Management, 3*(2), 1-14.

Abstract

In the advent of a competitive and globalized business environment, financial institutions have been triggered to come up with unique strategies that enable them to achieve competitive advantage. Several studies have been carried out on customer service and its impact on bank performance, but few have exploited on the customer service strategies which were used in this study. Hence this study examined customer service strategies' effect on bank performance. The specific objectives of the study were: To determine the effect of human resource management strategies, technological strategies, and service delivery environment on performance of commercial banks. This study was guided by Resource-based view theory. A survey was conducted on all 26 commercial banks operating in Eldoret town. The study employed a descriptive survey research design, while the target population was 146 employees of commercial banks. Systematic sampling was used to select the required sample size of 73. The study results indicated that there was a significant relationship between technological strategies (β= 0.586, p = 0.000); service delivery environmental strategies (β=0.206, p=0.016), and performance of commercial banks. However, there was no significant relationship between human resource management strategies and performance of commercial banks (β=0.226, p=0.153). The study concluded customer service strategies except human resource management strategies contribute significantly to positive change in bank performance. The study therefore, recommends that the management should implement proper human resource management strategies, adopt improved technological strategies and last but not least, to enhance proper service delivery environmental strategies in order to achieve their goal. The study also recommended other studies to be carried out on the same in order to improve the quality of the findings.

Keywords: *Customer Service Strategies, human resource management strategies, technological strategies, service delivery environment strategies, bank Performance*

1.0 Introduction

Globally, the world business is faced with stiff competition, due to the increased technology. In the world business arena, financial institutions have faced fierce competition from each other; hence the challenge remains to be customer service strategies that will enable them to sustain the biggest market share. For example, in most developing countries like Nigeria, retaining customers and attracting them has constituted one of the toughest and most challenging activities of financial institutions (Banabo & Koroye, 2011). From 2008 to 2009, the world economy suffered the deepest global financial crisis ever since World War II.

Countries around the world witnessed huge declines in trade, output, and employment. Gross Domestic Product in the industrial countries fell by 4.5 percent in 2008, and average real Gross Domestic Product growth in emerging economies dropped to 0.4 at the start of 2009 from 8.8 percent in 2007. Unemployment rate across Organisation for Economic Co-operation and Development economies rose to 9 percent and reached double digits in a mix of industrial and developing nations (Rose and Spiegel, 2009).

In the wake of the global financial crisis, global financial integration has gone into reverse. The discussion has mostly focused on the collapse in cross-border bank flows globally (Milesi-Ferretti & Tille, 2011) and the fragmentation of financial markets within the eurozone (Equatorial Commercial Bank, 2014). It is therefore clear that the need to restore balance sheets and profitability and meet stiffer capital requirements and other regulatory changes aimed at strengthening banking systems have caused European and, to a lesser extent, American banks to reduce their international operations. Following the financial crisis, banks have placed stringent regulatory measures, such as higher capital requirements which have become more prominent as a move towards having a stable and more competitive banking sector (Financial Service Authority, 2009). Thus, any modern financial system contributes to economic development and the improvement in living standards by providing various services to the rest of the economy (Driga, 2006).

Africa's low level of financial integration meant that African economies were relatively isolated from the direct impact of the financial crisis. Thus, Africa found itself shielded from the impact of the 2007 subprime and the summer 2008 banking crises, thereby avoiding the effects of a financial crisis that affected the very foundations of international financial markets. Compared to emerging countries, Africa's external financing; bond issues, stocks and private borrowing is low, representing only 4% in 2007 of overall issue for emerging economies. The financial meltdown suffered by the parent banks following market capitalization losses was not passed down to their African subsidiaries. Some subsidiaries of foreign banks saw a considerable increase in their market capitalization. For example, Swaziland Nedbank, Bank of Africa Benin, and Standard Bank of Ghana saw their market capitalization increase between July 2007 and January 2009. Therefore, the contagion effect of the financial meltdown was weak compared to the effect on parent banks (Africa Development Bank, 2009).

During the period 2008-2011, the Kenyan banking system showed resilience, which was attributed in part to the low financial integration in the global financial market and the intensive supervision and sound regulatory, reforms (International Monetary Fund, 2010). The financial sector performance indicators improved substantially and the sector remained profitable with return on asset indicator rising from 2.6 percent in 2007 to 4.4 percent in 2011 while the ratio of gross non-performing loans to gross loans improved from 10.6 percent to 4.4 percent over the same period (Kenya National Bureau of Statistic, 2013). Banking industry is highly competitive with banks not only competing among each other; but also with non-banks and other financial institutions (Hull, 2002). According to Fiveson (2010), understanding customers doesn't end with knowing who your customers are and what they have bought. Instead, it is developing a good relationship with them and knowing what they expect at any given point, is what matters for any profit-making entity.

Even though the overall picture indicates that Kenya's banking sector is well-capitalized, competition has been increasing and major players have introduced various products in a bid to attract customers. For example, the Equitel Banking Services, by Equity bank limited the Pesapoint by family bank limited, the M-shwari by Safaricom, and the Commercial Bank of Africa Limited. With this increased competition, banks have to care about the quality of their

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Journal of Strategic Management
Vol. 3||Issue 2||pp 1-14||July||2023
Email: info@edinburgjournals.org||ISSN: 2789-4851

services since this quality is considered the essence or core of strategic competition. However, service providers such as banks have been faced with challenges in how to develop an offering that is both flexible and capable of being tailored to fit the specific requirements of customers (Edvardsson *et al.*, 2007). This has led to the need for banks to continuously work on attracting, retaining, and maintaining existing customers, and to do so, implementing customer service strategies plays an important role. Since banking operations are becoming increasingly customer-dictated (Heskett & Sasser, 2010). It is against this background that this study, therefore, sought to find out effects of customer service strategies on bank performance on the selected commercial banks in Eldoret town.

1.1 Statement of the Problem

Globally banks are under intense pressure to perform in today's volatile marketplace. Kenyan banks are facing fierce competition among themselves; this is due to the emergence of many financial institutions providing almost the same products and services. Since these financial institutions target the same clients, there's a need for the commercial banks to come up with unique strategies that will enable them to stand out and hence acquire the largest market share. In the last two decades, researches have shown that strategic customer management and human resource management are among the most important determinants of organizational performance (Taylor & Francis, 2008). The banks survival solely depends on the customers, since they are the backbone of any service industry. For any bank to continue improving on its performance, it must differentiate itself by consistently providing exceptional customer service strategies. Progressive organizations are deeply examining client needs and plotting the customer journey to uncover inherent or potential risks, including compliance issues. They are then designing effective business controls with the impact on the customer at the forefront. By bringing compliance and customer objectives together "under one roof," it is also possible to achieve greater efficiency, eliminate process redundancies, and ultimately, lower costs (Adegoroye & Moruf, 2012).

Anyim and Munyoki (2010), in their study, clearly indicated that banks experience various challenges for example changing business environment and changing customer needs, when trying to adopt strategies to manage customer service strategies. Also, Wambui (2012), in her study on financial innovation and bank performance, indicated that most commercial banks in Kenya face greater challenges in trying to adopt new technologies as a strategic response to customer service delivery in the changing business environment. The study used a census survey research design. Johnston and Kong (2011) and Helkulla (2010) identified the benefits of improved experience not only for the customers but also benefits staff due to cost reduction and efficiency gains. Gapalani and Shuck (2011), in their study on the service-enabled customer experience, the results revealed that companies need to adopt customer experience strategies and they should leverage those strategies for them to achieve competitive advantage. William & Baumann (2008), in their study, established a relationship between customer service strategy and performance. The results indicated that customer satisfaction was positively related to earnings per share and price-earnings ratios of an organization. However, few studies have used the variables that were discussed in this study. Hence it was paramount for the researcher to carry out the research on customer service strategies effect on bank performance in Eldoret town.

1.2 Specific Objectives

i. To determine the effects of human resource management strategies on performance of commercial banks.

ii. To evaluate the effects of technological strategies on performance of commercial banks.

iii. To examine the effects of service delivery environment strategies on performance of commercial banks.

1.3 Research Hypotheses

H_{01}: There is no significant relationship between human resource management strategies and performance of commercial banks

H_{02}: There is no significant relationship between technological strategies and performance of commercial banks

H_{03}: There is no significant relationship between service delivery environment and performance of commercial

2.0 Literature Review

2.1 Theoretical Review

Resource-Based View Theory introduced by Peter and Barney (2003) emphasizes that the resources of the firm as essential determinants of competitive advantage and performance. The model assumes that firms' resources are heterogeneous hence a chance for them to achieve competitive advantage. It also assumes that resource heterogeneity may persist over time since resources used to implement a firm's strategies are not perfectly mobile across firms. Resource Based View (RBV) assumes that firms can be conceptualized as bundles of resources and capabilities. The resources and capabilities with which firms compete cannot be bought or sold in markets hence they are: valuable, rare, inimitable, and non-substitutable.

This approach emphasizes an inside-out business strategy, in which a firm using its internal unique resources and capabilities is better able to outperform its rivals (Barney, 2006). Capabilities must be developed rather than being taken as given resources must satisfy the user's need. Business processes or activities could utilize for their execution: people characterized by their knowledge, experience, skills, and talents; machines, devices, and tools characterized by their technical characteristics and constraints; methodologies, tools, and models installed in the organization, or various types of tangible assets buildings, real estate, and intangible assets like patents, brand names (Barney, 2006).

Resource-Based View regard finance, human resources, technology, and marketing as organizational resources (Barney, 2006). Porter (1985) regards marketing with special reference to differentiation as competitive strategies of a firm. Effective marketing needs a specialized skill, which allows entrepreneurs to communicate and inform potential customers about their products or services. The RBV argues that technology strategies and practices have a positive relationship with firm performance (Barney, 2006). Technical advancements affect the routines, processes, and operations of an organization (Armbruster *et al.*, 2008). It changes and applies new procedures and processes that initiate new products or services within the organization in the volatile markets and environments that influence the speed and flexibility of production and quality of production.

Although resource-based view theory is fundamental in explaining current strategic management research, it goes without no criticism. It has been suggested that RBV doesn't constitute a true theory (Priem & Butler, 2001a). First, they argued that without valuable resources the fact that unique firms possess competitive advantage doesn't logically follow. Secondly, they argued that RBV theory has limited prescriptive ability. That is RBV attribute of resources is not amenable to managerial manipulations, the context that RBV applies is not

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specified, the definition of resources is all-inclusive, and last but not least the theory is static and not dynamic. Despite the criticisms laid on RBV theory, even the critics agree that the impact of RBV on strategic management research has significant and the effort to focus on the internal aspects of the organization in explaining competitive advantage has been useful (Priem & Butler, 2001b). RBV has shifted emphasis away from external factors toward a firm's resources as a source of competitive advantage (Wright *et al,* 2001).

RBV is an appropriate theory that grounds customer service strategy and bank performance. This is because, the firm's internal resources are the employees, and when the employees are satisfied and happy, the firm will be able to meet its external resources needs; in these cases, customers are the beneficiaries. The firm should invest heavily in their internal customers; because the results will be depicted from the external customers. The firm should train its employees to instill more knowledge and skills required to perform a given task. The highly skilled workforce has a greater potential to constitute a source of competitive advantage because of the productive behaviours they exhibit (Wright *et al*, 1994).

Resource-based view promotes the organization to encourage competitive advantage, achieve firm excellence, gain organizational advantage, and enhance corporate performance and business sustainability. Interestingly, technical innovation is innovation with respect to products, manufacturing, and facilities (Liao *et al*, 2008). It pertains to products, services, and production process technology. Resource-based view theory emphasizes on company's strategic resources; human resources, physical resources, and organizations resources. Hence this theory formed the basis of explaining both human resource management strategies and service delivery environment strategies. In this study, this theory was relevant since it helped to illustrate how banks which are part of the service industry can utilize their resources to improve their performance. Banks are competing for the same market share and therefore a bank that utilizes what it has at its disposal strategically can greatly improve its performance.

2.2 Empirical Review

Human Resource Management Strategies and Bank Performance

Wang and Xiao (2013), in their study of 8 business environment indices in China, found out that human resources were very essential as it affects the business environment. Shortage of human resources indicated a big problem of the education system in cultivating human resources, which would be suitable for economic development and needed to be improved. Cook (2000) argues that there is a symbiotic relationship between human resources strategy and performance. Mukhtar (2014), study on customer satisfaction towards financial services in Bahawalpur, Pakistan. The study used correlation analysis; the Study found that service quality is positively correlated with customer satisfaction. Regression analysis showed that only assurance and tangibility had a significant correlation with customer satisfaction but reliability, empathy, and responsiveness have no important relationship with customer satisfaction. However, this study did not factors in customer perception, which could have given different results. This study therefore factored in customer service strategies, since their study mainly concentrated on customer satisfaction.

Gopal and Bedi (2014), in their study in India, revealed that expectations of customers and their perception of how hospital is performing their duties are very crucial in determining success of hospitals in service delivery. Competent employees can relate well with customers and thus improve customer s loyalty (Ndubisi, 2007). Chi and Gursoy (2009), in their study, established that customers that have had a positive perception of a hospital can influence their satisfaction and thus results in a positive effect on financial performance of hospitality

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management. Variables such as price charged, innovation by company, facilities that are applied by a facility in developing products or services, and the way organization deals with complaints and compliments. Also, Mokaya, Kanyagia & Wagoki (2012), in their study found that perception by customers in regard to fairness of pricing, quality of service, and reliability formed a major factor in determining performance of airlines in Kenya. However, using these variables limited research is available on customer service strategies on performance of commercial banks. Perceived value by customers is an important factor in creating sustainable competitive advantage by firms (Auka, 2012).

Technological Strategies and Bank Performance

Agboola (2006), in his study on Information and Communication Technology (ICT) in Banking operations in Nigeria, uses the nature and degree of adoption of innovative technologies; degree of utilization of the identified technologies; and the impact of the adoption of ICT devices on banks, found out that technology was the main driving force of competition in the banking industry. During his study, he witnessed an increase in the adoption of ATMs, EFT, smart cards, electronic home and office banking, and telephone banking. He indicates that the adoption of ICT improves the banks' image and leads to a wider, faster, and more efficient market. He asserts that bank management must intensify investment in ICT products to facilitate speed, convenience, and accurate services, or otherwise lose out to their competitors. However, this study was limited to Nigeria, hence this study carried out the same on Kenyan commercial banks.

Odhiambo and Memba (2012), studied relationship between the adoption of credit cards and credit card holders' satisfaction and also to establish whether the adoption of credit cards improved commercial banks 'revenue. The results indicated that credit cards contributed positively to the satisfaction of credit card holders and thus improved commercial banks' revenue. Without a doubt, the advances in ICT have introduced new delivery channels in the banking sector (Amoako, 2012). However, this study used the revenue to measure performance of banks, hence this study used quality of service to measure performance of banks.

Service Delivery Environment Strategies and Bank Performance

Spangenberg, Crowley, and Henderson (1996) found that the physical environment can powerfully influence people's cognition, emotions, and behaviour. People rely on the environment for meaning in their world and for behavioural guidance. In addition, an environment can influence feelings, which may among other reactions encourage people to remain in the environment or to leave it (Mehrabian & Russell, 1974). As an attention-creating medium, Physical environment can make a store or restaurant distinctive through design, color, motion, or sound. Hussain and Rehman (2012), in their study, found no effect of the quality of objects, quality of interaction, and quality of atmosphere on satisfaction of patients and reputation of the hospital. However, this study did not factor in the physical facilities, interior designs, and ambiance used in this study. Physical facilities that hospital has influenced the perception of service delivery by patients (Laohasiri *et al.*, 2013).

Wakefield and Blodgett (1996) also found that services cape in terms of layout, aesthetics, electronic displays, seating, and cleanliness on consumers' perceptions of service quality has a relatively consistent and strong effect on customer retention and their repatronage intentions. They noted that the strongest element in the perception of service quality was the "aesthetic appeal of the facility architecture and décor," remarking that customers' first impressions of the facilities influence their overall assessment of the services. Atmospheric clues affect consumer moods and emotions which, in turn, affect purchase behaviour and response to

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products (Jiang & Wang, 2006). However, this study didn't capture the same financial institutions which was examined in this study.

3.0 Methodology

The study employed a descriptive survey research design, while the target population was 146 employees of commercial banks namely; retail and banking managers, corporate managers, ICT managers, branch managers, and customer experience managers. Systematic sampling was used to select the required sample size of 73. Data was collected using structured questionnaires, and self-administered to the respondents. A quantitative technique was used to analyze the data. Data was analyzed using quantitative analysis of descriptive and inferential statistics. Descriptively the data were analyzed using frequencies and percentages while inferentially the data was analyzed using a multiple regression model to determine relationship between variables.

4.0 Results and Discussion

4.1 Descriptive Statistics

Human Resource Strategies

The study sought to investigate the human resource management strategies and performance of commercial banks. Descriptive statistics are shown in Table 1.

Table 1: Human Resource Management Strategies and Performance of Commercial Banks

Statement		Mean	Std
Proper communication channel has an impact on the bank's performance	Frequency	3.65	1.72
	%	73	34.4
Job satisfaction motivates employees to work and produce good results	Frequency	3.63	1.20
	%	72.6	24
A good reward system increases employees' morale to work	Frequency	3.42	1.34
	%	68.4	26.8
Job satisfaction enhances good relationships between employees and customers	Frequency	3.68	1.26
	%	73.6	25.2

The findings on human resource management strategies and their effect on the performance of commercial banks indicated a majority of the respondents 73% held that proper communication channel where there is a good flow of information from top management to the subordinates has an impact on the banks' performance hence increasing communication effectiveness between management and employees in commercial banks (mean=3.65, Standard deviation=1.72) while the least, 68.4% of the respondents asserted that good reward system increases employees morale to work where employees are rewarded based on best disciple employee and who performed in the year with a mean of 3.42 and Standard deviation of 1.34.

These findings implied that the most effective human resource strategy employed in the organization to enhance the performance of commercial banks was proper communication from

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the top management to the employees. This was crucial since it ensured that the employees were well informed on the organization's objectives and could therefore be able to carry them out. On the other hand, the reward system for their employees did not greatly influence the performance of the commercial banks. According to these findings, it's clear to see that human resource management strategies were very important in a firm performance since the management put more emphasis on employees to increase employee productivity. From the findings however, it's clear to see that the most influential human resource management strategy that affects commercial bank performance is a proper communication channel where there is a good flow of information from top management to the subordinates hence increasing communication effectiveness between management and employees in commercial banks.

These findings concur with a study conducted by Vijai and Kumar (2010) which indicated that organizational communication had a significant effect on job satisfaction and job performance of the employees. Job satisfaction and performance are very much dependent on the communication behavior of the organization; therefore the ability of the organization to communicate effectively to their employees is crucial to the job satisfaction of their employees, their productivity, and the performance of their organization. The findings also concur with Nebo, Nwankwo & Okonkwo (2015) whose study indicated that effective communication is the remedy to effective and efficient management performance of employees in an organization. The study recommended that there is a need for every organization to endeavor and make effective communication an essential integral part of its management strategies and map out strategic ways of storing information; this would also reduce loss of essential information and it would help to minimize organizational conflict, less misunderstanding and enhance information management.

Technological Strategies

The study sought to examine the effects of technological strategies on performance of commercial banks. Descriptive statistics are shown in Table 2.

Table 2: Technological Strategies and Performance of Commercial Banks

Statement		Mean	STD
Internet banking has low maintenance costs leading to high	Freq	2.91	1.35
levels of returns in the bank	%	58.2	27
ATM services enable customers to access their deposits with	Freq	2.82	1.23
ease for withdrawal	%	56.4	24.6
Branch networking increases efficiency in the operations of	Freq	3.09	1.42
banks	%	61.8	28.4
Internet banking has a way of increasing the number of	Freq	3.12	1.49
customers in the bank	%	62.4	29.8

The findings on the effect of technological strategies on the performance of commercial banks Moreover the finding indicated that a majority of the respondents, 62.4% held that Internet banking has a way of increasing the number of customers in the bank where it increases service delivery hence promoting customer loyalty with mean of 3.12 and Standard deviation of 1.49 while the least, 56.4% of the respondents reported that ATM services enable customers to access their deposits with ease for withdrawal since they charge little money and also reduces wastage of time of queuing with (mean of 2.82 and Std of 1.23).

These findings indicated that the most influential technological strategy utilized by the bank to improve its performance was Internet banking. This can be attributed to the fact Internet banking has introduced a new arena for commercial banks to conduct their businesses enabling banks to reach their clientele wherever they are at whatever time or day of the week. The findings however indicated the least effective form of technological strategy employed by the bank was ATM. This is attributed to the fact that ATMs have been here for a while and still require the customers to move to a certain brick and wall location in comparison to Internet banking which can be done anywhere at any time. These findings, therefore, revealed that the clientele would be looking for banking services that serve them at their comfort and Internet banking that would meet these desires.

The findings concurred with Young (2006) who found that internet adoption improved community banks' profitability, through increased revenues from deposit service charges. The findings also concurred with Nader (2011) who found that availability of phone banking, number of ATMs, and a number of branches had a positive effect on profit efficiency of banks.

Service Delivery Environment Strategies

The research sought to assess the effects of Service delivery environment strategies on performance of commercial banks. Descriptive statistics are shown in Table 3.

Table 3: Service Delivery Environment Strategies and Performance of Commercial Banks

Statement		Mean	STD
Physical aspects affect the way employees perform	Freq	3.67	1.29
	%	73.4	25.8
Interior design determines customers' perception of the bank	Freq	3.68	1.26
	%	73.6	25.2
Ambiance affects the quality of service the bank offers	Freq	3.42	1.32
	%	68.4	26.4
Physical entities have a way of attracting more customers	Freq	3.63	1.20
	%	72.6	24

The findings on the effect of service delivery environment strategies on the performance of commercial banks indicated that a majority of the respondents, 73.6% held that the interior design determines customers' perception towards the bank where they can sit as they wait to be served such as many commercials have waiting seats where customer sit as they wait to be called in the queue (mean=3.68, Standard deviation=1.26) while the least, 68.4% of the respondents held that the ambience affects the quality of service the bank offers since every section has been designed to serve every customer depending on his or her request search as inquiries, account opening, and many others with mean of 3.42 and Standard deviation of 1.32.

These findings indicated that the major strategy of the service delivery environment that influences the performance of commercial banks was the interior design of the banks. This is because how the bank is designed determines the customers’ perception of the bank. The preparation of places where the customers can sit as they wait to be served, clear identification of service areas, and provision of information help to influence the feelings of the customers. The interior design is not specifically the product the bank offers but they are accompanying services or compliments which improve the way the services are offered and received.

The findings concurred with Brady & Cronin (2001) who found out that consumers react not only to products but also to the features that accompany the product. They asserted that consumers make their purchase decision and respond to more than simply the product or service being offered but respond to the total product. One of the most significant features of the total product is the place where it is bought or delivered.

Bank Performance

The study sought to examine the indicators of commercial bank performance. Descriptive statistics are shown in Table 4.

Table 4: Indicators of Commercial Bank Performance

Statement		Mean	STD
Profitability	Freq	3.51	1.23
	%	70.2	24.6
Market share	Freq	3.63	1.22
	%	72.6	24.4
Returns of performing loans	Freq	3.12	1.49
	%	62.8	25.8
Returns of shareholder wealth	Freq	3.42	1.34
	%	68.4	26.8

The findings on indicators of commercial bank performance indicated that a majority of the respondents, 72.6% held that market share is the major indicator of bank performance where it has ability to open new branches in the same region or nation which increases customer satisfaction and loyalty (mean=3.63, Standard deviation=1.22) while the least 62.4% held that returns of performing loans is another factor where the banks offer low-interest rates on loans enhancing more customers to borrow loans in lump sum hence making the bank to generate more income from the loans (mean=3.12, Standard deviation=1.49).

The findings of the study indicated that the major indicator used by the banks to indicate their performance was market share. This is because it illustrates the ability of the bank to reach new clientele through the different platforms, they operate in improving the performance of the bank. The ability of the bank to acquire a bigger market share shows an increase in the number of clientele they serve which in the long run influences the banks' performance since more clientele brings more business to the bank.

These findings concur with Nkegbe and Ustarz (2015) whose study indicated that market share of the banks indicated a positive performance of the commercial banks confirming the relative market power hypothesis. The study recommended that banks should work on increasing their market share since it increases the business of the banks which improves their performance.

4.2 Regression Analysis

The study sought to determine if there was a relationship between human resource strategies and performance of commercial banks.

Table 5: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.832[a]	0.823	0.821	0.65435
a. Predictors: (Constant), Service delivery environment strategies, Technological strategies, Human resource management strategies				

The results from the model summary indicated that about 82.1% of the regression model could be accounted for in the study which was illustrated by (R Square = 0.821).

Table 6: ANOVA

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.077	3	5.026	11.737	.000[a]
	Residual	22.693	53	0.428		
	Total	37.77	56			
a. Predictors: (Constant), Service delivery environment strategies, Technological strategies, Human resource management strategies						
b. Dependent Variable: Performance of commercial banks						

The ANOVA Table 6 for the regression indicated that the results computed using the regression model were significant (F= 11.737 p<0.000) meaning that the regression model had been computed well (correctly) and not by chance.

Table 7: Coefficients

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.122	0.524		4.05	0.000
	Human resource management strategies	0.231	0.16	0.226	1.448	0.153
	Technological strategies	0.489	0.093	0.586	5.236	0.000
	Service delivery environment strategies	-0.275	0.169	0.206	-1.631	0.016
a. Dependent Variable: Performance of commercial banks						

The coefficients of the regression model sought to establish the contribution of each variable to the following model; $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$. This model was summarized as follows using the results from the regression results;

Y= 2.122 + 0.226 (Human resource management strategies) + 0.58.6 (Technological strategies) + 0.206 (Service delivery environment strategies) + 0.524

From the equation, it was therefore clear that the technological strategies affect performance of commercial banks the most up to 58.6% followed by human resource management strategies which affect performance of commercial banks by up to 22.6%, and finally, service delivery environmental strategies affect performance of commercial banks up to 20.6%. The performance of commercial banks can therefore be summed up as the total of technological strategies plus human resource management strategies plus service delivery environmental strategies plus error margins.

4.3 Hypothesis Testing

H0$_{1:}$ There is no significant relationship between human resource management strategies and performance of commercial banks

The study accepted the null hypothesis (β = 0.226, p = 0.153). The regression results in Table 7 indicated that human resource management strategies did not have a direct effect on performance of commercial banks with a beta coefficient of 0.226 and significance of (p=0.153). These results implied that for a unit increase in human resource strategies, there were 0.226 increases in performance. However, this was not significant meaning that it should be considered as the p-value is 0.153 which is greater than the confidence level of 0.05. Based on this it can be concluded that organizations should not emphasize HR strategies to enhance organizational performance but should focus on other aspects such as technology.

These findings differ from Wang et al. (2013) whose study found that human resources were very essential as it affects the business environment. Shortage of human resources indicated a big problem of education system in cultivating human resources, which would be suitable for economic development and needed to be improved.

H0$_{2:}$ There is no significant relationship between technological strategies and the performance of commercial banks

The study rejected the null hypothesis (β = 0.586, p = 0.000). The regression results in Table 7 indicated that technological strategies had a direct effect on the performance of commercial banks with a beta coefficient of 0.586 and significance of (p=0.000). These findings implied that the adoption of ICT affects the performance of banks. This is attributed to the fact to attain success in an organization; all firms must implement ICT to increase bank service delivery hence increasing customer satisfaction. Based on this it can be concluded that the banks should emphasize its technological strategies since they serve to improve the performance of the bank.

These findings concur with a study conducted by Agboola (2006) whose findings indicated that adoption of ICT improves the banks' image and leads to a wider, faster, and more efficient market. He asserted that bank management needed to intensify investment in ICT products to facilitate speed, convenience, and accurate services, or otherwise lose out to their competitors.

H0$_{3}$ There is no significant relationship between service delivery environment strategies and performance of commercial banks

The study rejected the hypothesis (β = 0.206, p = 0.016). The regression results in Table 7 indicated service delivery environment strategies has a direct effect on performance of commercial banks with a beta coefficient of 0.206 and significance of (p=0.016). These findings implied that the service delivery environment strategies in commercial banks affect the performance of financial institutions. This is attributed to the fact that service delivery environment strategies in terms of layout, aesthetics, electronic displays, seating, and cleanliness on consumers' perceptions of service quality has a relatively consistent and strong effect on customer retention and their repatronage intentions. Based on these findings it can be concluded that increasing the focus on service delivery strategy serves to improve the performance of the bank.

These findings concur with Wakefield and Blodgett (1996) whose study indicated that the services landscape in terms of layout, aesthetics, electronic displays, seating, and cleanliness on consumers' perceptions of service quality has a relatively consistent and strong effect on customer retention and their repatronage intentions. They noted that the strongest element in the perception of service quality was the "aesthetic appeal of the facility architecture and décor," remarking that customers' first impressions of the facilities influence their overall assessment of the services.

5.0 Conclusion

The study found that human resource management strategies positively affects performance of commercial banks since proper communication channel within the organization enhances communication effectiveness between management and employees in commercial banks. This, therefore, improves the performance of banks. It can therefore be concluded that every organization especially commercial banks need to strengthen its reward system, improve internal and external communication, and last but not least enhance job satisfaction.

The results also revealed that technological strategies enhance banks' performances since Internet banking has low maintenance costs leading to high levels of returns in the bank whereby customers can withdraw or deposit money through the phone than the customer walking into the bank. It can therefore be concluded that commercial banks should put up ATMs, promote Internet banking, and last but not least enhance branch networking.

In addition, the study found that service delivery environmental strategies positively affect the performance of commercial banks, this is due to the quality of service the bank offers since every section is designed to serve every customer depending on his or her requests such as inquiries, account opening, and many others. In conclusion, commercial banks should ensure proper physical aspects, improve interior design of the place, and last but not least promote ambience.

6.0 Recommendations

From the findings, the following recommendations were made: the study recommends that the management needs to implement proper human resource management strategies; reward system, communication, and job satisfaction which enhance employee productivity and hence increase firm performance; the study also recommends that management should adopt technological strategies; ATMs, internet banking and branch networking, since technology is a global phenomenon that is widely used and accepted by many, Commercial banks should therefore improve and adopt technology in their day to day business. Last but not least, commercial banks should incorporate service delivery strategies since it increases customer satisfaction and improves bank performance. In a nutshell, top-level managers should review the vision and mission of their institutions to strategically fit with changing customer needs in the dynamic market.

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