

## Influence of Resource Allocation on Organizational Performance of Commercial Banks in Meru County, Kenya

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### Abstract

The purpose of the study was to evaluate the influence of resource allocation on the organizational performance of commercial banks in Meru County, Kenya. The study used a descriptive design targeting 19 banks in Meru County, involving 19 managers and 91 staff. Data were collected via questionnaires and interviews, analyzed using SPSS and thematic methods. Most respondents (87%) reported ICT investment improved communication, efficiency, and reduced resource waste. Financial accountability (84%) also reduced waste, but challenges like poor training, politics, and resistance affected risk allocation. A significant correlation ( $r = 0.379$ ,  $p < 0.001$ ) was found between resource allocation and performance outcomes. The study recommends that senior management should ensure that there is impartiality in organizational politics to minimize its interference with even resource distribution among the departments. Furthermore, the study suggests that there is a need for employee involvement measures to minimize the resistance level experienced within the banking departments.

**Keywords:** *Resource Allocation, Organizational Performance, Commercial Banks, Meru County, Kenya*

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### 1. Introduction

According to Aguilera et al. (2023), organizational performance is defined as the ability of an institution to accomplish the anticipated strategic goals and objectives through adequate use of human capital and systems. It is through the assessment of organizational performance that the suitability of implemented strategies towards attaining the mission and vision of the institution is determined.

Resource allocation is the process of methodical allocation and management of organizational assets such as staff, tools, funds, and time in order to successfully and efficiently accomplish organizational objectives (Yeboah et al., 2023). This is done to ensure there is clarity on objectives and to develop checks and balances to allow the timely attainment of goals through the application of available resources. Therefore, strategic managers, being the overseers of the implementation process, are more concerned with the objectivity and reliability of resource allocation actions that actualize the laid-down strategies to achieve the desired goals.

Globally, most commercial banks in Florida have faced the challenge of a lack of adequate strategic managers who have the relevant experience and skills to align strategies in

departments (Elshahawy, 2024). This has resulted in increased prioritization conflicts in the implementation phase by various staff, whereby each departmental member focuses on different strategies, hence wasting organizational resources.

Regionally, there has been poor communication and training in Nigerian commercial banks, particularly on how the implementation process of strategies is to be done (Onyegbula et al., 2023).

Locally, commercial banks have experienced challenges such as failure to have a workable implementation plan, hence negatively affected adequate resource allocation to various constituents of the strategic plans.

### **1.1 Problem Statement**

Commercial banks have a strategic goal of providing competitive products that are supposed to be developed consistently and at a stable pace to satisfy the changing demands of the banking market in Meru (Nguyu, 2022). Additionally, clarity in operational goals should always be aligned with the organizational mission and vision for sustainable operations, efficiency and enhanced market share. Over time, there would be a fully developed process that aims to not only manage change in the scope of operations but also ensure the consistency of profits of commercial banks in Meru.

That notwithstanding, CBK (2024) noted an increment of non-performing loans [NPLs] from Kshs 576.1 billion to Kshs 657.6 billion from 2023 to 2024, respectively, in Kenyan commercial banks, which has negatively affected the implementation pace of new strategies in branches such as in Meru. The low-quality assets due to NPLs expose the organization to liquidity risk, hence forcing the managers to re-evaluate their poorly implemented strategies. According to Waisto et al. (2024), a delayed and poorly implemented process of strategies is not only costly but also time-consuming. Therefore, strategic managers have been faced with difficulties in how they could instigate changes in the operations to reaffirm clarity of processes for desired organizational performance.

A previous study, like Yegzaw and Imiru (2024), considered how commercial banks in developing nations implemented strategies related to the resources and capabilities of staff. Further, Onyegbula et al. (2023) considered how the entire Nigerian financial sector's regulatory agencies were implementing their strategies. Considerations were on technology, leadership, communication, resource availability, and the structure of the organization, but not on clarity of goals, alignment, process development, and change management. Further

Locally, Ndegwa (2022) assessed strategic implementation by government corporations in Kenya. In Meru County, a study like Ibrahim and Obuba (2023) examined the performance of commercial banks but from a spectrum of operational strategies such as quality, customer feedback, and innovation. However, strategic implementation aspects like resource allocation, alignment, process development, and change management were not addressed.

### **1.2 Purpose of the Study**

To evaluate the influence of resource allocation on the organizational performance of commercial banks in Meru County, Kenya.

### **1.3 Research Hypothesis**

H<sub>01</sub>: Resource allocation does not influence organizational performance of commercial banks in Meru County, Kenya.

## **2. Literature Review**

### **2.1 Theoretical Review**

The theory of management by objectives was developed by Drucker (1954). This theory indicated that the objective-led kind of management enabled an organization to enhance its services through establishing well-thought-out and mutually agreed-upon objectives and allocating adequate resources. This meant that for the process of management to be complete, there was a need to have attainable goals that had been allocated resources based on the need for operations and the entire reason why an organization existed (Iyobhebhe et al., 2024). It depicted quality attainment metrics that anchored organizational values and operational efficiencies.

The theory of management by objectives elaborated that resources were not only allocated but also communicated to the concerned parties to put operations in order (Jepleting et al., 2023). This had to do with establishing foundational measures on how allocated resources were to be tracked and the role of each of the staff in meeting the specific goal requirements.

Resource allocation provided quality measures that the strategic teams could set their desired targets to improve organizational performance in the commercial banks (Mwachuo & Kimaku, 2024). It was easier to operate in an environment where resources had been allocated to set goals with an aim of reducing ambiguity on specific tasks or clashing of roles. Strategic management staff were able to implement strategies if they were specific, measurable, attainable, relevant, and time-bound (Jafri, 2020). Specificity articulates the precision of an individual role in utilizing resources with an aim of attaining the organizational mission and vision. Measurability of goals provided the extent to which a strategy needed to be implemented in a specific department that had adequate resources (Kyalo, 2023). This had to be realistic with working hours, days, and months for easier assessment and monitoring, since it is what gives a goal its relevance in acknowledging its worthiness vis-à-vis the utilized resources.

The theory of management by objectives was faulted by Develi (2023) for encouraging the staff to focus on attaining different goals with the organizational resources rather than ensuring that work ethics were adhered to effectively. That meant that the staff were willing to do what it took to attain their goals, even if it meant that they might use unscrupulous methods, such as misuse of resources, to attain the goals. Nevertheless, this weakness did not affect the study because in a bank, there were banking policies that guided how the staff conducted themselves, used available resources, and performed their tasks (Njenga & Odollo, 2023).

### **2.2 Empirical Review**

Globally, Sumairah and Zainon (2024) assessed how Sharia Banking organizational effectiveness was impacted by a comparative analysis of systems thinking application. A cross-sectional research design was adopted in this study to gather data from staff working in Sharia banks in four countries through questionnaires. Notably, the study used stratified random sampling to select two hundred participants from Indonesia, one hundred and fifty from Malaysia, one hundred from Pakistan, and fifty from Yemen, making a total of five hundred participants.

Sumairah and Zainon (2024) found that the use of systems thinking applications in banking institutions enabled the management to plan with clear objectives and allocate resources to realistic and attainable goals. The findings demonstrated that a structured approach in resource allocation improved efficiency in organizations, which was demonstrated in the development

of strategies, making decisions, and flexibility. However, this study had a contextual gap since it concentrated on system thinking approaches.

Regionally in Ethiopia, Tefera and Abebe (2024) investigated how public commercial banks' performance was influenced by strategic planning. The study employed a descriptive survey research design. The survey included one hundred and sixteen managers and top employees from twelve branch offices in Harar city and Haramaya town. As a result, participants were picked equally from all branches. This study discovered that effective planning of operations and resources allocated in banks improved performance. This study established that an organization's mission statement defines its products and services. Further, the results of this study showed that the goals were regularly reviewed and updated based on market trends and resources allocated. Furthermore, the study discovered that defined objectives in the banking industry were critical in identifying the goals that needed to be reached and the particular resource allocation plans that management needed to meet them. Nevertheless, this study did not evaluate intensively how resource allocation settings influenced the performance of banks.

Locally, Wesonga et al. (2024) examined how Western Kenyan commercial banks were performing amid strategic implementation practices. An explanatory and descriptive research design was used in the study. Through a census, three hundred participants were chosen from among Western Kenya's thirty licensed commercial banks. The results of this study demonstrated that banks perform better when their strategic objectives and goals are transformed into concrete actions and projects. Additionally, effective strategy execution in banks requires managers to communicate strategic objectives and provide resources and initiatives consistently to staff. Wesonga et al. (2024) suggested that bank managers and directors communicate on set goals and develop suitable resources for all employees regularly, which boosted organizational performance. However, Wesonga et al. (2024) did not explain the different resources allocated and their relevance in determining elements in the implementation of strategies.

### **3. Methodology**

A descriptive research design was used while targeting 19 commercial banks in Meru County. The respondents included 19 branch managers and 152 banking staff. In the determination of samples, a purposive sampling procedure was used to sample 19 managers. The banking staff were sampled using a simple random method, and afterwards their sample size was calculated using Nassiuma's (2000) formula, resulting in 91 staff. The study conducted a pilot study in Faulu and Kenya Women Microfinance Institutions. Content and criterion types of validity were examined. Reliability was determined through internal consistency measures such as the Cronbach's alpha. Questionnaires that were collected from the respondents were sorted to eradicate the incomplete ones from the complete ones. Thereafter, the responses were entered in SPSS, and descriptive and multivariate analyses were conducted. The frequency, percentages, mean, and standard deviations were provided as descriptive statistics. The interview results were analyzed by the thematic method. The results were thereafter presented using tables.

### **4. Results and Discussion**

#### **4.1 Reliability statistics**

As part of ascertaining the reliability of the data collection instruments, a pilot study was conducted, and the findings are presented in Table 1.

**Table 1: Reliability Statistics**

Instrument	Cronbach's Alpha
Organizational performance	0.853
Resource allocation	0.925
Average	0.837

The results in Table 1 demonstrate that the Cronbach Alpha coefficient for organization performance is 0.853 and resource allocation is 0.925. This was an indication that the data collection instruments had reliable internal consistency and could thus be dependable to provide reliable results. In further emphasis, Andersson et al. (2024) indicated that on the one hand, when the reliability results were closer to 1, the stronger their internal consistency was. On the other hand, when the reliability results were further from 1, it indicated significantly weakening internal consistency.

**4.2 Response Rate**

The study issued questionnaires and interview guides to various respondents in the commercial banks. Table 2 provides the results.

**Table 2: Response Rate**

Item	Respondents	Sampled	Response	Percentage
Interview	Interview Respondents	19	15	79%
Questionnaire	Questionnaires Respondents	91	73	80.2%
<b>Grand Total</b>		110	88	80%

Table 2 shows that 15 (79%) of respondents agreed to be interviewed, while 73 (80.2%) staff returned completed questionnaires. In general, this was a response rate of 80%, which was deemed excellent according to Mugenda and Mugenda (2003). The study ensured that the relevance of the study about the professionalism of the banking sector was explained at length. This included an explanation of the relation of the study to best banking practices, especially with relation to strategic implementation. Additionally, the study also ensured that the process of data collection was done within timelines that the respondents were not busy, which included early morning or late evening, for improved participation rates. The results also agree with Holtom et al. (2022), who also had a high response rate by noting that providing the questionnaires in the morning proved effective since most of the day’s activities had not yet commenced.

**4.3 Descriptive Statistics of Organizational Performance of Commercial Banks**

Organizational performance was the dependent variable of the study, and the measured indicators included operational efficiency, customer retention, value of transactions, policy compliance, and risk management. The outcome is described in Table 3.

**Table 3: Organizational Performance of Commercial Banks**

Statements N=73	1	2	3	4	5	Mea n	SD
Operational efficiency has increased due to resource allocation	3 (4%)	5 (7%)	4 (5%)	24 (33%)	37 (51%)	4.12	1.142
Customer retention has improved due to strategic alignment	27 (37%)	23 (32%)	9 (12%)	8 (11%)	6 (8%)	2.25	1.325
The value of transactions has been boosted due to process development	2 (3%)	13 (18%)	4 (5%)	24 (33%)	30 (41%)	3.92	1.199
Change management has been implemented flawlessly.	7 (10%)	6 (8%)	41 (56%)	10 (14%)	9 (12%)	3.11	1.048
The presence of compliance staff has enabled the bank to adhere to banking regulations.	4 (5%)	9 (12%)	15 (21%)	18 (25%)	27 (37%)	3.88	0.971

Table 3 shows that 37 (51%) of the respondents strongly agreed and 24 (33%) agreed on a mean of 4.12 and an SD of 1.142 with the statement that operational efficiency has increased due to resource allocation. This therefore, means that the processes were made more efficient and strategies implemented more effectively since the staff were furnished with all the requirements. This included even work division, organizational assets, training, and necessary goodwill to support their attainment of set goals. Therefore, implemented strategies were effectively done within feasible timelines and with less strain on commercial banks. It was also in agreement with Ndegwa (2022), who noted that the process of implementing strategies not only needed coordination of departments but also the provision of adequate resources to be completed.



This included training and assets that made it easier for the staff to attain the set targets. Furthermore, Tawse and Tabesh (2021) indicated that it was easier to attain the strategic implementation goal by ensuring that the given task had adequately trained staff who operated within the organizational environment and were exposed to the necessary infrastructure. This was to reduce time lags and demotivation. Moreover, Wäistö et al. (2024) posited that it was necessary for any execution of strategy to be done under close supervision, but, more importantly, through the laid-down protocols and procedures that called out for operations within the provided organizational resources.

The study also, on the contrary, noted that 27 (37%) of the respondents strongly disagreed, and 23 (32%) disagreed, with a mean of 2.25 and an SD of 1.325, that customer retention had improved due to alignment of strategies to the mission and vision of the bank. The outcome reveals a major concern that has been affecting the commercial banks within the Kenyan market. The number of customers has been reducing at a worrying trend, with most of the customers noting a dissatisfaction with banking services. Therefore, the results were an indication that despite aligning their strategies with the vision, it was inadequate to convince the customers of the reason for remaining loyal to their services. In agreement, CBK (2021) also indicated a reduction of customer accounts from 66.9 million to 63.3 million in 2020 and 2021, respectively. Similarly, there was also a decline of 64 million customer accounts closed due to several reasons in 2022 (Muiruri, 2022). Most of the customers complained of poor banking services and high fees within the commercial banking sector. According to Mwita (2023), competition from other financial institutions, such as SACCOs and digital lenders, was attracting more commercial banking customers with attractive interest rates and low transaction fees.

There were three interview questions asked among the 15 interview respondents who agreed to take part. The first question was on indicating how they ensured that the value of their transactions increased. Their responses were grouped into four themes, which include segmentation of clients, ensuring that there is innovation in products and services, strategic partnership, and market expansion. On segmentation of clients, the respondents indicated that they ensured that they targeted clients and institutions with high-value transactions. Through such a kind of approach, they were able to increase their sales through the customization of interrelated products and services. A manager, M9, said that

*“Any time a client notices that you have accorded them special attention, they tend to be more friendly and increase their volume of transactions.”*

Additionally, the respondents noted that they also ensured that the provision of products and services was done efficiently through innovative practices. Therefore, the expected turnaround time was shorter, leading to improved performance. Additionally, the respondents also indicated that their banks also made strategic partnerships with various corporations that offered supporting products and services. A manager, M12, said that

*“We have partnered with Isuzu to provide our asset finance clients with recent models at a cheaper price.”*

On the last theme of market expansion, the respondents indicated that they had engaged in vigorous marketing campaigns to attract new clients. They were also actively engaged in mapping out new regions that had the potential for expansion. According to Liang et al. (2025), the provision of all-rounded banking products that could support different classes of target customers was desirable since it encouraged them to invest in multiple channels for improved individual revenue.

The second question was seeking an elaboration of customer retention methods used in the bank. The three themes that were indicated by bank managers included offering quality customer service to clients, cross-selling alternative products, and rewarding loyal customers. On the theme of offering quality customer service to clients, the respondents noted that the banks had put in place extremely qualified staff at the customer service desks to support banking inquiries from the customers. The staff who were friendly maintained a healthy relationship with the clients for continued business ventures (Geke, 2021). In support of this finding, a manager, M3, said that

*“Our customer service team members also ensure that they provide customized service to target clients to motivate them to invest more and take up more products.”*

The respondents also noted that their banks sold alternative products to existing customers to attract them to invest and subscribe to other products and services as well. This was a strategic method to maintain the customer’s interest. The last theme of rewarding loyal customers was done through continuous marketing campaigns that sought to reward selected customers. These programs enabled the customers to feel valued and appreciated. The results positively relate to Ali and Shabn (2024), who indicated that aggressive marketing and strategic rewards to high-value clients enhanced their loyalty to the banking institution. Furthermore, Bshayreh et al. (2024) noted that it was easier to retain a client than to attract a new one, necessitating continuous strategies to interest them in the banking products and services.

The last question was on various risks faced in the banking organization. The risks mentioned three themes, which include financial risks, staff risk, and cybersecurity. On the theme of financial risks, the respondents noted that every transaction made has a risk of loss to the commercial bank. The loss was mainly due to human errors or omissions, or recording a transaction more than once in the same category. Other respondents mentioned system downtime, depriving the bank of a chance to earn revenue. On the theme of staff risk, the managers indicated that employee-related fraudulent activities were also risks experienced within the banking sector. This led to a loss of revenue siphoned to an individual’s account. On the theme of cyber insecurity, the respondents indicated that there were always malicious parties willing to sabotage the banking system to access information or unlawfully gain access to the banking finances. A manager, M15, said that

*“Cybercrime is a risk the bank is exposed to, and its occurrence leads to not only loss of money but also the customer’s trust.”*

In agreement, Karoney (2022) revealed that cybercrime was considered a major threat to the banking industry due to the dynamic evolution of technology. The need to employ consistent strategies that are in line with the technological trend was desired.

#### **4.4 Descriptive Statistics of Resource Allocation**

In the assessment of the resource allocation, human capital feedback, financial accountability, turnaround time, CT infrastructure, and tracking of resource usage were the factors considered. The section had both questionnaire and interview questions. The results provided in Table 4 pertain to the questionnaire results.



**Table 4: Descriptive Results of Resource Allocation**

Statements N=73	1	2	3	4	5	Mean	SD
Consistent communication	0 (0%)	3 (4%)	52 (71%)	13 (18%)	5 (7%)	3.23	0.635
Human capital feedback is promoted	1 (1%)	5 (7%)	29 (40%)	25 (34%)	13 (18%)	3.83	0.898
Financial accountability is promoted	3 (4%)	5 (7%)	4 (5%)	24 (33%)	37 (51%)	4.18	1.085
The bank ensures that services are dispensed in the shortest time	28 (38%)	17 (23%)	15 (21%)	7 (10%)	6 (8%)	2.49	1.573
Our bank has invested in modern ICT infrastructure	2 (3%)	5 (7%)	2 (3%)	28 (38%)	36 (49%)	4.25	0.997
There are organizational systems in place to track resource usage	2 (3%)	2 (3%)	60 (82%)	6 (8%)	3 (4%)	3.07	0.608

As per Table 4, the majority of the respondents, 36 (49%), strongly agreed, and 28 (38%) agreed, on a mean of 4.25 and an SD of 0.997 that their bank had invested in modern ICT infrastructure to support banking. In addition, with a mean of 4.18 and an SD of 1.085, more than half of the respondents, 37 (51%), strongly agreed, and 24 (33%) agreed that financial accountability was promoted to minimize wastage of resources. Nevertheless, 28 (38%) of the respondents strongly disagreed and 17 (23%) disagreed on a mean of 2.49 and an SD of 1.573 that the bank ensured that services were dispensed in the shortest turnaround time to reduce resource wastage. Based on the provided results, it was thus notable that the commercial banks had made significant steps towards actualizing the formulated strategies. This included the incorporation of modern ICT infrastructure and the reduction of waste by holding each staff member accountable for the allocated resources. Through such steps, it was possible to attain the set strategic goal during the implementation phase. In comparison, Kyalo (2023) indicated that the provision of policies that monitored the usage of resources amongst departments

encouraged efficient utilization and accountability. Sitonik et al. (2024) mentioned that despite heavy investment in modern infrastructure in the commercial banking sector, the need for consistent results requires quality controls to minimize underutilization and wastage of institutional resources.

Therefore, as seen through the results, it is notable that the dispensation of resources was effectively done in a manner that promoted accountability to reduce any chances for poor resource utilization. Nevertheless, the study noted that at times, the services took longer than expected due to factors within or beyond the institution. This meant that the clients experienced inconveniences when they most required the services, prompting a consideration of alternatives to satisfy their demands. Similarly, Tefera and Abebe (2024) revealed that despite the intention to implement the required strategies within the shortest timeline, inadequate skills among the staff and system failures interfered with the timelines. Serge et al. (2024) found that despite the preparedness of the banking staff, the high number of transactions conducted by a single client was also a possible reason for delayed service provision. Additionally, Yegzaw and Imiru (2024) established that since there were ICT and human interactions, inconsistencies caused by fatigue or poor execution of laid-down strategies led to conflicting outcomes, which cost the banking organization time.

There were three interview questions asked among the 15 interview respondents who agreed to take part. The first question was on the communication methods used to inform the staff of the allocated resources. The main themes mentioned included email, phone calls, and printed paper forms. On the theme of email, the study noted that the staff were able to receive changes on strategies and resources accorded through official working emails. This enabled them to access information when they logged in to their work accounts. A manager, M7, said that

*“We prefer emails since they have assurance that at least all staff not on leave will get the communication and have evidence for future reference.”*

On the theme of phone calls, the respondents noted that when the matter was urgent, the staff received a direct phone call informing them of the funding changes. On the last theme of printed paper forms, the respondents mentioned that this was the last option considered, especially when the other two methods had already been used, requiring paper forms for record-keeping purposes. Additionally, paper forms of communication were mainly used when the other two methods were not effective. The results are also as established by Mutisya et al. (2022), who pointed out that email and phone call methods of communication were frequently used within the commercial banking sector. Sibonde and Dassah (2021) indicated that memos pinned to the office board were also used, but Mutisya et al. (2022) argued that memos sent through emails were more effective and provided information to targeted audiences on time.

The second question inquired about how resource allocation boosted performance. The various responses are grouped into four themes that include departmental efficiency, improved customer service, workforce enhancement, and reduction of wastage of resources. On the theme of departmental efficiency, the respondents noted that every allocated strategy was efficiently funded and innovated through ICT. This brought improved task accomplishment at the department level due to the provision of necessary resources that are actively needed. Furthermore, Njenga and Odollo (2023) also discovered improved departmental coordination when there was an effective strategic resource allocation system. Secondly, there was improved customer service since the staff were motivated to provide necessary services. A manager, M11, said that

*“The staff can effectively interact with the clients since they believe that systems work within the banking sector due to strategic resource allocation.”*

The theme of workforce enhancement was also noted in various comments of the respondents. The respondents revealed that strategic allocation of resources was enhanced since there was recruitment of an adequate number of staff as part of resource allocation initiatives. Furthermore, there was the theme of waste reduction since strategic planning on how resources were to be distributed. According to Murunga and Deya (2022), strategic management reduced ambiguity and enhanced responsible resource allocation with an organizational set-up.

The third question was on the challenges experienced in the process of enhancing the clarity of goals for the staff. There were various challenges mentioned, beginning with employee resistance to conforming to organizational policies and procedures. Furthermore, there were organizational politics that led to work divisions and slow decision-making processes. The third challenge mentioned included a lack of adequate skills necessary for aligning the goals with the organizational vision and mission. The managers noted that some of the staff hardly ensured that they advanced their personal learning and development. This, therefore, led to increased stagnation and poor assimilation of recent knowledge.

The challenge of poor communication systems was also mentioned by Li (2024), who noted that when the systems did not support frequent communication and had no response feedback mechanism, it became hard to quantify such a structure as a communication system. In further agreement with the findings, Musheke and Phiri (2021) indicated that most communication structures in place had only a one-way type of communication, where the staff received instructions through available communication channels. Any attempt to send feedback was minimally addressed.

**4.5 Correlation Analysis**

The study used Pearson correlation analysis to test for hypotheses that stated that resource allocation had no influence on the organizational performance of commercial banks in Meru County, Kenya. The hypothesis results are provided in Table 5.

**Table 5: Correlation Analysis of Resource Allocation and Organizational Performance**

		Organizational Performance	Resource Allocation
Organizational Performance	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	73	
Resource Allocation	Pearson Correlation	.379	1
	Sig. (2-tailed)	.001	
	N	73	

The results in Table 5 indicate that the correlation coefficient for resource allocation is  $r = .379$  at  $\alpha < 0.001$  and a 99% significance level. As a result, the study's null hypothesis, which stated

that resource allocation did not influence the organizational performance of commercial banks, was rejected. These findings suggest that proper resource allocation within commercial banks improves their performance and efficiency. As also found out by Muthaura (2021), alignment of resources with the mission and vision led to improved performance of Nyeri’s commercial banks. Sitonik et al. (2024) found that allocation of resources such as skilled staff, technology, budgeting practices, and information systems led to increased financial performance within the Kenyan commercial banks. In Machakos County, Masya et al. (2022) found that the implementation of strategies in commercial banks was noted to be positively correlated with allocated resources.

4.6 Regression Weights

Regression weights were calculated to ascertain the model's coefficients, as shown in Table 6.

**Table 6: Regression Weights of Resource Allocation on Organizational Performance of Commercial Banks**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	9.443	4.004		2.358	.001
1 Resource allocation	.255	.090	.099	2.921	.003

a. Dependent Variable: Organizational Performance

Table 6 demonstrates that the resource allocation coefficient is 0.255 with an error term of 4.00 and a significance value are 0.003. Therefore, when equated to the equation  $Y = 9.443 + 0.255X_1 + 4.004$ . The results mean that organizational performance was increased by 0.255 (resource allocation). Therefore, since the significance value was less than 0.05 it shows that resource allocation was significant. Resource allocation was noted to be significant mainly due to the fact that commercial banks ensured that the departments were provided with adequate ICT infrastructure to support the operations. This was done to ensure that there was less turnaround time required to dispense necessary services (Gandrita, 2023). Furthermore, the ability of the staff to provide feedback to the management was considered effective in resolving any emerging challenges with the allocated resources. There was also financial accountability measures put into place to promote responsibility for resources internally (Ibrahim & Obuba, 2023). Notably, one way this was done was through tracking resource usage to ensure that every action of using a specific type of resource was justified within the established policy framework parameters.

5. Conclusion

The study thus concluded that the organizational performance of commercial banks in Meru County was positively influenced by resource allocation during the strategic implementation process. The ICT infrastructure to support banking was present and served the role of allowing information flow in both digital and non-digital channels. Additionally, the resources provided impacted efficiencies within departments, which improved the services provided to customers. There were also checks and balances to ensure resources were adequately utilized, but only to a certain extent. The limitations were mainly caused by organizational politics and employee resistance against banking policies.

## 6. Recommendations

The study recommends that senior management should ensure that there is impartiality in organizational politics to minimize its interference with even resource distribution among the departments. Furthermore, the study suggests that there is a need for employee involvement measures to minimize the resistance level experienced within the banking departments.

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