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Effects of Cultural Change on Strategic Planning in the Banking Sector: A Case of Commercial Banks in Kisii Central Business District, Kenya

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Abstract:
The ability of organizations to manage and survive change is becoming increasingly important in an environment where competition and globalization of markets are intensifying. The aim of this study was to research on the effects of organizational change on strategic planning in the banking sector: A case of commercial banks in Kisii Central Business District, Kenya. The objective of this study was to determine the effects of cultural change on strategic planning in commercial banks. This study applied the descriptive research design. The target population was 16 banks comprising of 318 top, middle and lower level management staff. Stratified random sampling method was used to sample 20% (63) respondents. This study utilized a semi-structured questionnaire self-administered through a drop and pick later method. Data was analyzed using the mean score, standard deviation, frequencies, percentages, weighted mean scores and regression analysis. Data was presented using tables and figures. The study found out that cultural change affects strategic planning of commercial banks a great extent. Cultural change affects values and capabilities, attitudes, experiences, habits and relationships, beliefs/norms, corporate mission, vision and goals, selection and implementation of strategies, strengths and weaknesses and opportunities and threats. The study recommends that the banks' strategic planning endeavors should be formulated such that they provide opportunity to involve the various levels of management in the process and ensures that all the different units of the organizations work together towards achieving the same objectives. Banks should accord priority attention to the elements of organizational culture.

Keywords: *Change management, cultural change, organization culture, organizational change, organizational structure, strategic plan*

1. Introduction

The process of changing a corporate strategy can be broken down into four distinct steps: planning, implementation, monitoring and review. In the planning stage, managers form their strategic vision into concrete, time-bound goals and objectives. Strategic planning process has an important role in every organizational setting (Adeyoyin, 2005; Decker and Höppner, 2006). Organizations have developed networked cooperation to develop their activities. Each strategic plan has particular merits that are related to the external environment, internal processes and structures, financial resources and human capabilities. Strategic evaluation is used to judge these merits and the strategic planning process. The evaluation of strategic plans requires a framework and sensible judgments on different strategic objectives weighted against each other.

The ability of organizations to manage and survive change is becoming increasingly important in an environment where competition and globalization of markets are ever intensifying (Cao and McHugh, 2005). Through the mid-20th century, there had been increased attempts to apply theories of organizational change to the analysis of human organizations (Byeon, 2005). The first attempt, which applied concepts of systems theory, was mainly concerned with equilibrium and stability, and their maintenance through control of negative feedback (Montuori, 2000). The systems concept views organizations as constantly interacting with their environment. The organizational environment is comprised of a set of relationships between agents or stakeholders and other factors that may be beyond the control of the organization (Mason, 2007).

The various strategic objectives should be aligned with each other in a balanced way so that the strategic plan is able to build bridge between the perceived present situation and the desired future position described by the vision (Bush and Coleman, 2000; Johnson and Scholes, 2002). The implementation of strategic plans sees the change put into action according to the plan. Monitoring is a less of a

phase and more of a continual activity that helps managers to gain insight into how well their plans are working and pinpoint potential problems. Changing strategy can have a number of positive effects. New strategic directions can help a company to adapt to changes in the legal environment or the marketplace.
New strategies can help a company to perform more effectively or cost-efficiently, or can help them to enter a new, more profitable industry or market segment. Changes in strategy can also help a stagnant company to reclaim its former growth rates (Byeon, 2005). Not all of the effects of change are positive. Internal employee resistance can be a major barrier to effective change implementation, as certain people strongly resist any kind of change to the status quo or daily routine. There is also always the possibility of failure in new initiatives, leaving a company in a worse position than it was before the change. Regular changes in strategic direction are healthy and natural for a successful company. Markets, technology, legal issues and operational trends do not stay stagnant, and neither should a dynamic, adaptable company. Involve a wide range of people in your monitoring and planning activities on a regular basis to fully leverage the creativity of your workforce.
According to Ferlie (2007) with the ever-increasing complexity of the organizational environment, the systems concepts no longer seem adequate in dealing with complex phenomena. This shortcoming, among others, has led to the emergence of complexity theory which focuses on the use of such terms as entropy, non-equilibrium, instability, and the emergence of new patterns and structures. In the complexity paradigm, systems are usually considered to be evolving or self-organizing into something new (Ferlie, 2007). Organizational change is a term businesses use to describe a change in the operation of the company. According to Jones (2004), organizational change occurs as a reaction to an ever-changing environment or as a response to a current crisis situation. On the other hand, a more proactive viewpoint is that it is triggered by a progressive manager. It is the planned alterations of organizational components to improve the effectiveness of the organization. Organizational components are the organizational mission and vision, strategy, goals, structure, processes or systems, technology, and people in an organization.
Coyle-Shapiro and Kessler (2000) found that managers were more positive in their assessment of the employer’s fulfilment of their obligations than the employees were. Through creating an open working environment and effective channels of communication the manager can ensure that the expectations of both employees and the employer are clear and well communicated. In another example, there were 212 major acquisitions involving U.S. pulp and paper mill assets in year 1999 alone. This trend is not expected to abate anytime soon in that it has been forecasted that “The estimated 3000 pulp and paper companies around the world in 1997, are expected to shrink to 50 giant companies by the early 21st century”. Such realignments are going to result in a great deal of upheaval within the affected organizations, i.e., most or all companies in the industry (Leffler, 1997).
Regionally, Heymans and Pycroft (2000) carried out a study on drivers of change in Nigeria: A preliminary overview. Their study established that the drivers of change approach hinges on the various aspects: ‘Pro-poor change’ is taken to mean sustained economic growth; broader access for poor people to services, markets, assets and safety nets; and the state and service providers becoming more accountable to the public, particularly the poor. Change processes are driven through or make an impact upon a society’s structural features, its institutions and the behaviour or interests of agents. There is no clear causality in these relationships. Agents often offer entry points for change and structures fundamentally define the scope for change, but institutions mediate between structural features and agents. It is therefore important to understand how institutions have evolved, how they interact with political agents and structures, and how agents contest the terrain of institutions. Systemic change involves the relationships between these drivers, and as such the notion of ‘system’ is important. The key point is that systemic change would occur across the drivers – agents, institutions and structures.
Adeoye and Elegunde (2012) found out that the external business environment (political, economic, socio-cultural, technological, e.t.c.) have impact on organisational performance (effectiveness, efficiency, increase in sales, achievement of corporate goals e.t.c.). Thus, organisations should pay more attention to their environment by doing periodic scanning. Business environment is perceived to have been rarely exceeded in complexity, turbulence and rapid in change (Otokiti and Awodun, 2003).
In Africa, Kambi (2011) conducted a study on the impact of cultural change on organizational performance. The findings revealed that organization change was impacted positively because foreign partners invested in Technology and Human resource development in the acquired organization to turn around and produce the much desirable consequences. The evidence suggests that the implementation of the Tanzanian privatization policies which come due to the merging of TBL and SABMiller in a Joint Venture had a positive impact on the performance and competitive behaviour of the Company. The structural changes implemented facilitated the increase in productivity and efficiencies by outsourcing non-core activities: Furthermore, the findings of the study reveal that workers development, trainings where equipped them with skills to manage changes and operating on a team structure lead to lower production costs.
In Kenya, Kinuu et al (2012) carried out a study on factors influencing change management process at Tamoil Kenya Limited. The performance of the change management process was influenced by a number of factors namely, inadequate communication, leadership, change in culture and mild resistance by organizational members. Kasima (2004) did a study on the change management practices and resistance to change in multinational oil companies in Kenya. The study suggested that if change management was carried out in the best way, various challenges of change management could be eliminated and such institutions would realize an increase in organizational efficiencies, employee performance, customer satisfaction and new product development. Kimaita (2010) discussed creation of urgency for change, vision for change, implementation of change, change awareness creation, strategy for change for change, structure for change implementation, plans for change management, impact of changes to the organization, institutionalization of change and finally, factors affecting implementation of change. Kibisu (2010) which researching on change

management approach adopted by Zain Kenya concluded that for an organization to start on implementing change there must be planning, implementation within the time frames with controls and constant evaluation of the change process.

The economy of Kisii Central District is derived from commerce and agriculture. Kisii town is dotted with tall commercial buildings and is ever bustling with activity. It has several businesses dealing in food processing, health care and education. There are numerous other business ventures such as hotels, restaurants, sports pubs, among other commercial activities (Opano, 2013). The District hosts commercial banking and financial institutions' branches including the long existing Kenya Commercial Bank, Barclay's Bank, National Bank and Co-operative Bank and newer entrants such as Equity Bank, Eco-Bank, and K-Rep Bank, all doing thriving business. It also hosts one of the seven Coca-Cola bottling and distribution plants in Kenya. In some cases, these businesses are owned by investors from outside Kisii testifying to the cosmopolitan nature of the town. Kisii Town in particular, also hosts all the major supermarket chain stores such as Nakumatt, Naivas,Tusky's, Uchumi and the local Kisiimatt, all taking advantage of the large population and the positioning of the Town (Economic Survey, 2012).

The town has several private hospitals and medical centres. These include the Agha khan, Hema, Getembe, Christa Marianne, Nyangena and Bosongo Medical Center. Notable private schools such as Sakagwa School, Rehema School, Set Green Hill, AIC, Gusii Highlights Academy, Elsa Academy, Elimu Academy Imperial Primary School are located in this county. It also has numerous bars, sports pubs and many up market restaurants which are popular with both visitors and residents alike. The town also boasts a couple of nightclubs – The Backyard and Club Webs among others. All these endowments make Kisii County an investor's paradise that one cannot afford to miss out on. Like other firms in other areas in the Country, the various changes occurring in these organizations have had an effect on their strategic planning endeavors (Economic Survey, 2012). This study therefore sought to establish the effects of organizational change on strategic planning in the banking sector of commercial banks in Kisii Central Business District, Kenya (Economic Survey, 2012).

2. Statement of the Problem

Today, banking industry face a variety of challenges, including competition from global markets, restructuring by down-sizing, mergers, acquisitions, technological changes, increased awareness and demands from customers (Balogun and Hailey (2004). It is imperative to note that organizational change in strategic planning is one of the major steps that firms take to address the challenges they face in enhancing their competitive position. In a study titled 'change management in financial efficacy of banks: evidence from Oman' Ravi (2014) indicated that one-half to two-thirds of all major corporate change efforts fail due to poor strategic planning. With the witnessing significant growth of banks in Oman in recent years, the study found that failure of change management practices was a major impediment to the use of performance in Oman banks. According to Ravi (2014) there has been a steady decline in the gross non-performing assets as a percentage of the total assets from nearly 10% in 2004 to 2.1% in 2008, before rising marginally in 2009 due to a cyclical downturn of the economy which could be attributed to loopholes in strategic planning.

Kimaku (2010) looked at aspects of change management in the banking industry at Barclays Bank of Kenya. He found that Barclays Bank of Kenya used threats to induce change where resistance was expected, performance appraisal system and communication to manage change. Barclays Bank is a foreign owned bank and some factors influencing change management are quite different from NBK which is a locally owned bank. In general, he noted that organizations fail to implement up to 70% of their changes which affect their strategic initiatives. Wanjiru and Njeru (2014) carried out a study on the impact of strategic response to change on the financial performance of commercial banks in Kenya. According to their study, in order to survive in this dynamic environment, banks need strategies that are focused on their activities and deal with emerging environmental and industry challenges accordingly. The study found that technological innovation has a strong positive relationship with banks performance. This means that the better the technological innovation adopted by the bank the better the performance of the commercial banks. Similarly, there is a positive correlation between expansive branch network and the bank performance. This means that as the branches increase the more profitability the bank will be.

Commercial Banks in Kisii like other banks in Kenya have undertaken a number of changes which include massive branch expansion, new products, restructuring to consumer banking and change of IT system among others. Due to cost conscious customers, increasing competition, stringent regulatory requirements and technological changes and innovations, firms in Kisii Kenya are constantly searching for new ways to obtain better performance, gain and sustain competitive advantage. The need to have strategies in changing organizations is increasingly being considered as very fundamental to attaining superior performance. Despite these endeavors, business firms continually report decline in profits over the recent past. Banks in Kisii are experiencing fluctuations in profits which is attributed to ineffective strategic plans to support the organizational changes. As alludes to the above notion, there is need for a research to find out the effects of organizational change on strategic planning in the banking sector where the context of focus was the commercial banks in Kisii Central Business District, Kisii County.

3. Empirical Literature Review

Organizational culture is a concept which describes the attitudes, experiences, beliefs and values of an organization. According to Hofstede (2011) all cultures constitute so many somewhat distinct answers to essentially the same questions posed by human biology and by the generalities of the human situation. Every society's patterns for living must provide approved and sanctioned ways for dealing with such universal circumstances as the existence of two sexes; the helplessness of infants; the need for satisfaction of the elementary biological requirements such as food, warmth, and sex; the presence of individuals of different ages and of differing physical and other capacities. It has been defined as the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization.

In a study of Organizational culture, Plakhotnik and Tonette (2005) found that organization's norms and values have a strong effect on all of those who are attached with the organization. Their study found that culture and strategic directions are linked; there is a wide variety of individual personalities within each culture, and culture scores should not be used for stereotyping individuals. In addition, cultural changes have a huge impact on human behaviour and hold potential for misunderstandings in business contacts, which might become barriers to change in an organization. They recommended that a key element to enhancing resilience and minimizing the chance of dysfunctional behavior is to actively manage the organizational culture. In addition, they suggested that management patterns should set the "tone" of an organizational culture, establish the rhythm for operation, influence the process of decision making and create action impulses to ensure continued performance of the firms in the changing business environment. The culture created through the influences of these management patterns influences the ways in which managers and employees play their roles in approaching problems, serving customers, reacting to the environment and carrying out their various activities to satisfy themselves and other stakeholders.

Raduan et al. (2008) carried a study on organizational culture as a root of performance improvement. According to their study, cultural changes occur in the principles, expectations, norms, working habits and symbols of an organization. They found that these changes are directed towards improving employee performance, skills, attitudes, behavior and loyalty to the organization, as well as to enhance manager-subordinate relationships, group cohesion and employee sense of achievement. This type of change alters the attitudes, behaviors, skills, or performance of employees in the company. Changing people-centered processes involves communicating, motivating, leading, and interacting within groups and that the culture of an organization is strongly linked to its management style and processes. They recommended that organizations, cultural traits must be consistent with what is necessary for driving new decisions. If the culture and change have little in common, chances of successfully achieving change are slim.

Sadri and Lees (2001) conducted a research on developing organizational culture as a competitive advantage. Their study aimed at establishing the link between organizational culture and competitive advantage. The study found that culture shapes the willingness of people to exert high levels of effort in creating a vision of the future directed towards the attainment of organizational goals, and is conditioned by people's ability, behavior and values. They recommended that effective management of corporate culture is an essential contributor to the implementation process. Further, managing the strategy-culture relationship requires sensitivity to the interaction between changes necessary to implement strategy and compatibility or fit between those change and the organizational culture. This focus may entail changing how problems are solved, the way employees learn new skills, and even the very nature of how employees perceive themselves, their jobs, and the organization. Some people-centered changes may involve only incremental changes or small improvements in a process.

Pearce and Robinson (2003) argue that, while structure provides an overall framework for strategy implementation, it is not in itself sufficient to ensure successful execution. Within the organizational setting, individuals, groups and units are the mechanisms of organizational action, and the effectiveness of their actions is a major determinant of successful implementation. According to Meyer and Stensaker (2006) organizations need to develop capacity for change, by allocation and development of change and operational capabilities that sustain long term performance. They argue that making change happen without destroying well-functioning aspects in an organization and harming subsequent changes requires both capabilities to change in the short and long term, and capabilities to maintain daily operations. Changes to people can be large-scale, such as replacing all of the top-level managers in hopes of creating a new organizational culture, or small-scale, such as working to change employee attitudes though things such as team building or other behavioral activities.

3.1. Conceptual Framework

To guide this study on the effects of organizational change on strategic planning in the banking sector in Kisii Central Business District, Kisii County, the interrelationship between variables discussed in the literature review is presented in the conceptual framework model shown in Fig. 2.1. According to Bogdan and Biklen (2003) a conceptual framework is a basic structure that consists of certain abstract blocks which represent the observational, the experiential and the analytical/ synthetical aspects of a process or system being conceived. The independent variables in this study are technological change, cultural change and structural change while the dependent variable is strategic planning.

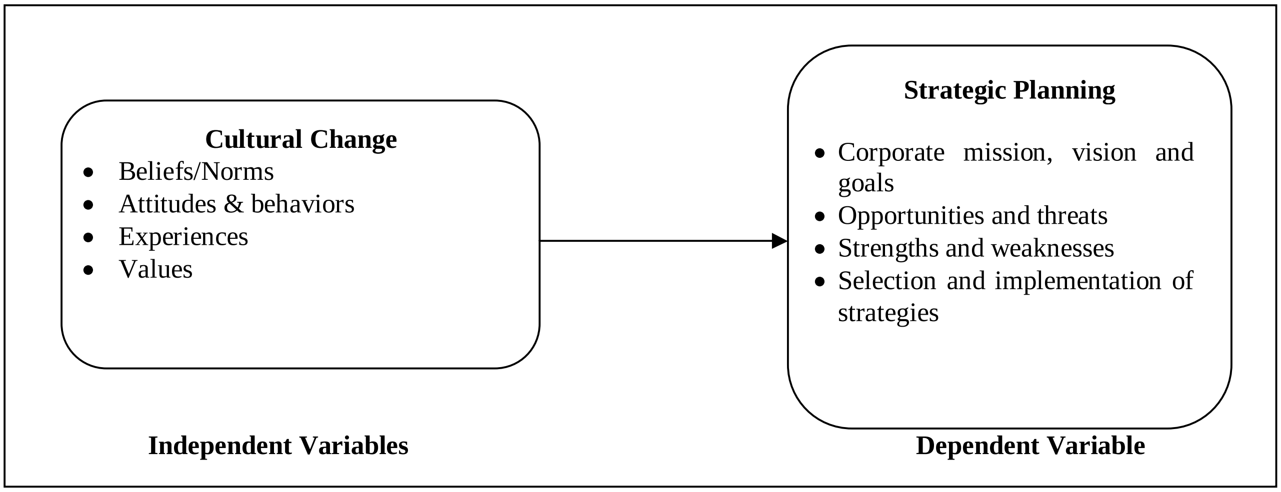

Figure 1: Conceptual Framework

In the above conceptual framework, the dependent variable is strategic planning. It is measured by corporate mission, vision and goals, opportunities and threats, strengths and weaknesses and selection and implementation of strategies of commercial banks in Kisii Central Business District. The intervening variables that affect strategic planning of the banks are state of the economy, industrial policies and government/external policies. Technological change is one of the components of organizational change that affect strategic planning of the commercial banks in Kisii Central Business District. This is the development of an organization's technology and technological systems to cope with the operating environments. In this study, technological change aspects that affect strategic planning of the commercial banks in Kisii Central Business District include technological (IT) systems, system compatibility, technological knowledge/skills and technological innovations.

The second independent variable considered in this study is cultural change. These aspects involves changes in the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization. It is measured by investigating the beliefs/norms, attitudes, experiences and values. Structural change is the third independent variable that influences strategic planning of commercial banks operating in Kisii Central Business District. In this study, structural change is researched by looking at the effect of chain of command, managerial abilities, tasks and coordination and managerial experiences in change process on strategic planning of the commercial banks.

3.2. Knowledge Gap

The available studies (Burnes, 2000; Paton and McCalman, 2000; Diefenbach, 2006) have revealed to an extent how to deal with changes that occur in the organizational setting, however a complete overhaul in the organizational system arise out of forces beyond the organization's control hence need to be reconsidered. The challenge of change management encompasses employee resistance, incompatibility of organizational structure, culture and technological systems, and cost associated with change. It is commonly observed that organizations are dynamic and always keep changing. Change is therefore inevitable in today's world. Most changes within organizations emanate from the top leadership or key stakeholders and hence past studies have revealed to an extent how to deal with such changes.

There are consequential implications of change management in various organizations. This study has identified that the various studies carried out on organizational change are not comprehensive. While they have given the study a good basis for information, the studies are not elaborate enough on the effects of organizational change on strategic planning in banks and therefore one cannot draw generalized conclusions based on some of these studies. They do not identify the scope of the study nor the parameters used to measure the effects of various types of organizational change and how they affect strategic planning in the study.

The banks have undergone a series of changes over the years due to the continuous process of change globally coupled with drastic operating environments. There has, however, been a limited study on the impact of these organizational changes on the strategic planning of banks in Kenya. This formed a research gap for this study. It was in quest for change management in the organization that the researcher sought to undertake a study and come up with useful findings.

4. Research Methodology

Descriptive research design was chosen. The target population of this study was the 16 banks. Accordingly, there are three hundred and eighteen (318) top, middle and low level management staff currently serving in the commercial banks in Kisii Central Business District. The study focused more on the section and particularly on the top, middle and low level management staff who are directly dealing with the day to day management of the banks since they are the ones conversant with the effects of organizational change on strategic planning. So the researcher examined a sample of staff drawn from the population of 318 staff working in the banks of the top, middle and low level management ranks. Mugenda and Mugenda (2008) explain that the target population should have some observable characteristics, to which the researcher intends to generalize the results of the study. This definition assumes that the population is not homogeneous. The population characteristic was as summarized in the table below.

Group of firms	POPULATION				
	Top level Staff	Middle level Staff	Low level Staff	Total	Percentage %
Barclay's Bank	4	8	17	29	9.1
CFC Stanbic	3	6	12	21	6.6
Co-operative Bank	4	10	14	28	8.8
Credit Bank	2	4	9	15	4.7
Diamond Trust	2	4	8	14	4.4
Eco-Bank	2	4	7	13	4.1
Equity Bank	5	10	19	34	10.7
Family Bank,	2	4	8	14	4.4
Bank of Africa	2	5	10	17	5.3
Kenya Commercial Bank	4	8	14	26	8.2
Kenya Women and Finance Trust	2	7	12	21	6.6
K-Rep Bank	2	5	10	17	5.3
National Bank	2	5	10	17	5.3
Post Bank	2	5	9	16	5.0
Standard Chartered	2	6	11	19	6.0
I&M	2	5	10	17	5.3
Total	**42**	**96**	**180**	**318**	**100.0**

Table 1: Target Population

The sampling technique used was stratified random sampling. From the above population, a sample of 20% was selected from within each group in proportions that each group bears to the study population. This sample is appropriate because the population is not homogeneous and the units are not uniformly distributed.

Group of firms	POPULATION				SAMPLE			Total
	Top level staff	Middle level staff	Low level staff	Total	Top level staff	Middle level staff	Low level staff	
Barclay's Bank	4	8	17	29	1	2	3	6
CFC Stanbic	3	6	12	21	1	1	2	4
Co-operative	4	10	14	28	1	2	3	6
Bank								
Credit Bank	2	4	9	15	0	1	2	3
Diamond Trust	2	4	8	14	0	1	2	3
Eco-Bank	2	4	7	13	0	1	1	2
Equity Bank	5	10	19	34	1	2	4	7
Family Bank,	2	4	8	14	0	1	2	3
Bank of Africa	2	5	10	17	0	1	2	3
Kenya Commercial Bank	4	8	14	26	1	2	3	6
Kenya Women and Finance Trust	2	7	12	21	0	1	2	4
K-Rep Bank	2	5	10	17	0	1	2	3
National Bank	2	5	10	17	0	1	2	3
Post Bank	2	5	9	16	0	1	2	3
Standard Chartered	2	6	11	19	0	1	2	3
I&M	2	5	10	17	0	1	2	3
Total	**42**	**96**	**180**	**318**	**8**	**19**	**36**	**63**

Table 2: Sample Size

The study collected primary data using a questionnaire. Data was analyzed using the mean score and standard deviation, frequencies, percentages weighted mean scores and regression analysis. Data was presented using tables and figures. This was to help in investigating the effects of organizational change on strategic planning of commercial banks in Kisii Central Business District.
In addition, to quantify the strength of the relationship between the variables, the researcher conducted a multiple regression analysis so as to determine the effects of organizational change on strategic planning of commercial banks in Kisii Central Business District. The data was broken down into the different aspects of organizational change of banks and their effect on strategic planning of commercial banks in Kisii Central Business District. This offered a quantitative and qualitative description of the objectives of the study.
The regression equation will be:

- $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$):

Whereby
Y = strategic planning, X_1 = technological change, X_2 = cultural change, X_3 = structural change, X_4 = transformational change, β_0 = the regression intercept, $\beta_{1,}$ $\beta_{2,}$ β_3 & β_4 = Regression Coefficients, ε = Error term normally distributed about a mean of 0 and for purposes of computation ε is assumed to be 0.
Multiple regression allows the researcher to predict a score of one variable on the basis of their scores on several other variables. The main reason why multiple regressions was used instead of other inferential statistics is because it enables one to learn more about the relationship between the independent or predictor variables and a dependent or criterion variable.

4.1. Analysis and Interpretation

In order to ensure the reliability of the instrument, Cronbach's Alpha was used. The findings indicated that cultural change had a coefficient of 0.898. This depicts that the value of Cronbach's Alpha is above the suggested value of 0.6 thus the study was reliable (George & Mallery, 2003).
In this study, the researcher sought to assess the effects of cultural change on strategic planning of commercial banks. As such the respondents were required to rate the extent to which cultural change affects strategic planning of commercial banks.

Extent	Frequency	Percent
To a very great extent	11	21.2
To a great extent	24	46.2
To a moderate extent	6	11.5
To a little extent	10	19.2
To no extent	1	1.9
Total	**52**	**100.0**

Table 3: Extent Cultural Change affects Strategic Planning

According to table 4.15, majority (46.2%) of the respondents indicated that cultural change affects strategic planning of commercial banks in Kisii Central District to a great extent, 21.2% of them indicated that cultural change affects strategic planning of commercial banks in Kisii Central District to a very great extent, 19.2% of the respondents indicated to a little extent, 11.5% of them rated the effect to be moderate extent, while 1.9% of the respondents indicated that cultural change affects strategic planning of commercial banks in Kisii Central District to no extent. These results indicate commercial banks in Kisii Central District have cultural changes that affect their strategic planning to a great extent.
The respondents were further required to rate the extent to which various aspects of cultural change affect strategic planning of commercial banks in Kisii Central Business District. The results are as depicted in Table 4.16.

Aspects of cultural change	No extent	Little extent	Moderate extent	Large extent	Very large extent	Mean	Std dev
Beliefs/Norms	13.5	17.3	32.7	25	11.5	3.0385	1.20394
Attitudes	1.9	19.2	17.3	36.5	25	3.6346	1.12073
Experiences	7.7	7.7	30.8	23.1	30.8	3.6154	1.2232
Values and capabilities	0	11.5	17.3	38.5	32.7	3.9231	0.9871
Habits and relationships	19.2	15.4	23.1	11.5	30.8	3.1923	1.50865

Table 4: Aspects of Cultural Change affecting Strategic Planning

From the study, majority of the respondents indicated that values and capabilities, attitudes and experiences affect strategic planning of commercial banks in Kisii Central Business District to great extents as shown by mean scores of 3.9231, 3.6346 and 3.6154 respectively, while habits and relationships and beliefs/norms affect strategic planning of commercial banks in Kisii Central Business District to moderate extents as shown by mean scores 3.1923 and 3.0385 in that order.
The respondents were also required to rate their level of agreement with various statements on the effects of cultural change on strategic planning of commercial banks in Kisii Central Business District. A scale of 1 to 5 was provided where 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree.

Effects of cultural change on strategic planning	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev.
The culture of Our organization is strongly linked to its strategic management style and processes.	7.7	9.6	17.3	9.6	55.8	3.9615	1.35707
The organizational culture sets the norms for the whole organization and provides a sense of direction which governs how to behave, what to do and the organizational priorities strategic plans	0	1.9	9.6	65.4	23.1	4.0962	.63430
Culture shapes the willingness of people to exert high levels of effort in creating a vision of the future directed towards the attainment of organizational goals and objectives	0	21.2	21.2	34.6	23.1	3.5962	1.07118
Organization’s cultural traits are consistent with what is necessary for driving new strategic decisions.	11.5	9.6	11.5	44.2	23.1	3.5769	1.27335
Strategy-culture relationship requires sensitivity to the interaction between changes necessary to implement strategy and compatibility or fit	23.1	7.7	36.5	23.1	9.6	2.8846	1.27808

Table 5: Agreements with Effects of Cultural Change on Strategic Planning

According to Table, majority of the respondents agreed that the organizational culture sets the norms for the whole organization and provides a sense of direction which governs how to behave, what to do and the organizational priorities strategic plans as shown by a mean score of 4.0962, the culture of the banks is strongly linked to its strategic management style and processes as shown by a mean score of 3.9615, culture shapes the willingness of people to exert high levels of effort in creating a vision of the future directed towards the attainment of organizational goals and objectives as shown by a mean score of 3.5962 and organizations’ cultural traits are consistent with what is necessary for driving new strategic decisions as shown by a mean score of 3.5769. On the other hand the respondents remained neutral on that strategy-culture relationship requires sensitivity to the interaction between changes necessary to implement strategy and compatibility or fit as shown by a mean score of 2.8846.

4.2. Inferential Analysis

Inferential analysis is utilized in this study to determine if there is a relationship between an intervention and an outcome, as well as the strength of that relationship. The inferential statistics analysis aimed to reach conclusions that extend beyond the immediate data alone between the independent variables in this study. The study conducted inferential analysis to establish the relationship between the independent variables and the dependent variable of which involved a multiple regression analysis. The independent variables in this study included technological change, cultural change and structural change while the dependent variable was strategic planning of Commercial banks in Kisii Central Business District, Kisii County.

4.2.1. Multiple Regression Analysis

The study sought to complement the descriptive analysis by carrying out a multiple regression analysis. The researcher applied the statistical package for social sciences (SPSS) to code, enter and compute the measurements of the multiple regressions for the study. The results were regressed from the question on whether cultural changes affect strategic planning of commercial banks in Kisii Central Business District. The model Summary for the regression is shown in table 6 below.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.981(a)	0.863	0.691	0.752

Table 6: Model Summary

- Predictors: (Constant), technological change, organizational changes and structural change.

Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (strategic planning of commercial banks in Kisii Central Business District, Kisii County) that is explained by all the three independent variables (technological change, o9rganizational changes and structural change).

The three independent variables that were studied, explain only 86.3% of the strategic planning of commercial banks in Kisii Central Business District, Kisii County as represented by the R^2. This therefore means the four independent variables only contribute about 86.3% of the strategic planning of commercial banks in Kisii Central Business District, Kisii County while other factors not studied in this research contribute 13.7% of the strategic planning of commercial banks in Kisii Central Business District, Kisii County. Therefore, further research should be conducted to investigate the other factors (13.7%) that influence strategic planning of commercial banks in Kisii Central Business District.

The researcher conducted a multiple regression analysis so as to determine the relationship between the parameters of organizational change in the commercial banks in Kisii Central Business District and the four variables.

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.837	.112		4.358	0.000
Technological change	0.637	.075	0.235	1.379	.024
Cultural change	0.753	.088	0.167	2.793	.015
Structural change	0.553	.146	0.330	2.276	.041

Table 7: Coefficient of Determination

A Dependent Variable: Strategic planning of commercial banks in Kisii Central District

As per the SPSS generated table 4.22, the equation ($Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$) becomes:

- $Y= 1.224 +0.637\ X_1 +0.7537X_2 + 0.553X_3$

Where Y is the dependent variable (strategic planning of commercial banks in Kisii Central Business District), X_1 is the technological change, X_2 = cultural change and X_3 = structural change. According to the regression equation established, taking all factors (technological change, cultural change and structural change) constant at zero, the strategic planning of commercial banks in Kisii Central Business District will be 2.837. The data findings analyzed also shows that taking all other independent variables at zero, a unit increase in technological change will lead to a 0.637 increase in the strategic planning of commercial banks in Kisii Central Business District. A unit increase in cultural change will lead to a 0.753 increase in strategic planning of commercial banks in Kisii Central Business District.

In addition, a unit increase in structural change will lead to a 0.553 success in strategic planning of commercial banks in Kisii Central Business District. This infers that cultural change contributes more to the strategic planning of commercial banks in Kisii Central Business District followed by technological change while structural change contributes the least to the strategic planning of commercial banks in Kisii Central Business District. At 5% level of significance and 95% level of confidence, structural change had a 0.041 level of significance, technological change showed a 0.024 level of significant, while cultural change showed a 0.015 level of significance hence the most significant type of organizational change affecting the strategic planning of commercial banks in Kisii Central Business District.

5. Summary of Findings

The general objective of the study was the effects of organizational change on strategic planning in the banking sector: A case of commercial banks in Kisii Central Business District, Kisii County. According to the results, the strategic planning endeavors in the banks are very much effective and the banks' strategic planning provide opportunity to involve the various levels of management in the process and ensures that all the different units of the organizations work together towards achieving the same objectives. The study also established that the banks had benefited from strategic planning practices. In this regard, the study further found that cultural change affects strategic planning of commercial banks in Kisii Central District to a great extent. There are various aspects of cultural change affect strategic planning of commercial banks in Kisii Central Business District. From the results, values and capabilities, attitudes and experiences affect strategic planning of commercial banks in Kisii Central Business District to great extents, while habits and relationships and beliefs/norms affect strategic planning of commercial banks in Kisii Central Business District to moderate extents. Raduan et al (2008) established that cultural changes occur in the principles, expectations, norms, working habits and symbols of an organization. There was certainty on that the organizational culture sets the norms for the whole organization and provides a sense of direction which governs how to behave, what to do and the organizational priorities strategic plans, the culture of the banks is strongly linked to its strategic management style and processes, culture shapes the willingness of people to exert high levels of effort in creating a vision of the future directed towards the attainment of organizational goals and objectives and organizations' cultural traits are consistent with what is necessary for driving new strategic decisions. In addition, strategy-culture relationship requires sensitivity to the interaction between changes necessary to implement strategy and compatibility or fit. These results coincide to those of Plakhotnik and Tonette (2005) who found a key element to enhancing resilience and minimizing the chance of dysfunctional behavior is to actively manage the organizational culture. To Hofstede (2011) cultural changes have a huge impact on human behavior and hold potential for misunderstandings in business contacts, which might become barriers to change in an organization.

From the study, other aspects of organizational change that affect strategic planning of banks in Kenya include staff turnover, government policy, CBK policies, market demand, advancements in technological-oriented platforms like mobile banking and agency banking, systems efficiency, processes and procedures, retrenchment, outsourcing of employees, total restructuring and poor training and mentorship plans. The multiple regression analysis conducted showed that taking all factors (technological change, cultural change and structural change) constant at zero, the strategic planning of commercial banks in Kisii Central Business District will be 0.785. A unit increase in technological change will lead to a 0.189 increase in the strategic planning of commercial banks in Kisii Central Business District; a unit increase in cultural change will lead to a 0.411 increase in the strategic planning of commercial banks in Kisii Central Business District; and a unit increase in structural change will lead to a 0.128 success in strategic planning of commercial banks in Kisii Central Business District.

5.1. Conclusions

The study concludes that strategic planning process has an important role in every organizational setting. From the findings, the strategic planning endeavors in the commercial banks in Kisii are very much effective, however; a few of the banks have moderately effective strategic planning endeavors. The banks' strategic planning provide opportunity to involve the various levels of management in the process and ensures that all the different units of the organizations work together towards achieving the same objectives. The formal yet flexible process of strategic planning determines where an organization is currently and where it should be in the future. The study concludes that the strategic planning practices are necessary for improving communication, and participation within organizations, reducing conflicts related to the distribution of resources and promoting appropriate decision-making.

The study also deduces that cultural change affects strategic planning of commercial banks in Kisii Central District where it was deduced that a small proportion indicated that it affects strategic planning of commercial banks in Kisii Central Business District to little and no extent. Commercial banks in Kisii Central District have cultural changes that affect their strategic planning. It is clear that habits and relationships and beliefs/norms are the aspects of cultural change that affect strategic planning of commercial banks in Kisii Central Business District to moderate extents. In addition, strategy-culture relationship requires sensitivity to the interaction between changes necessary to implement strategy and compatibility or fit were not clear with regard to their effect on strategic planning of commercial banks in Kisii.

5.2. Recommendations

Having established that culture change is a major organizational change that affects strategic planning, the study recommends that the banks in Kisii should accord priority attention to the elements of organizational culture for example having a documented mission statement, a future picture (vision) of the organization, organizations should establish core values i.e., organization's rules of conduct, set realistic goals, establishment of long term objectives (measurable and specific) and the development of action (strategic) plans and its implementation and adequate follow-up. The institutions' culture should also be enhance as a powerful driving force in implementation of change management and the firm's mission, strategy and key long term objectives be strongly influenced by the personal goals and values of its management.

5.3. Areas for Further Studies

The study found and analyzed data with a focus on the effects of cultural change on strategic planning of commercial banks in Kisii Central Business District, Kisii County. There are other financial institutions in Kenya with different financial orientation and in different counties also undergoing organizational change which affects their strategic planning endeavors. This warrants the need for another study, which would ensure generalization or even specify study findings for all the financial institutions' organizational change and strategic planning to pave way for new policies. The study therefore recommends another study be done with an aim to investigate the effects of organizational change on strategic planning in financial institutions in Kenya with a focus on all the counties in Kenya and all types of financial institutions.

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