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Analysis of Strategic Response on Employee Performance Among NSE Listed Commercial Banks

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ABSTRACT

Growing competition in the banking industry worldwide has made it necessary to apply crucial, dependable, and skillful selections in order to increase the survival rate of many organizations. Strategic approaches to improve staff performance have not yet been put into practice, as seen by the recent bankruptcy of several commercial banks. Over time, employee productivity in Kenya's banking industry has also drastically decreased. Additionally, stress among employees results in poor levels of engagement, low retention rates, increased absenteeism, and lower productivity. Determining the impact of strategic response on employee performance in Kenyan commercial banks listed on the NSE was the primary goal of the research. The study's particular goals were to determine how market growth, cost-cutting measures, and strategic leadership affected employee performance at Kenyan commercial banks that were listed on the NSE. The research also looked at how technology adoption affected the link between employee performance and strategic responsiveness in Kenyan commercial banks that were listed on the NSE. The study focused on Nairobi-based commercial banks utilizing a descriptive research design technique. All ten of the commercial banks listed on the NSE were the target audience, and questionnaires were used to gather research data over the course of a month. The research used a census sample technique to cover all ten commercial banks in Kenya because of the tiny population. Both main data were utilized in the research. Semi-structured questionnaires with both open-ended and closed-ended questions were used to gather primary data. Qualitative data was analyzed using the content analysis approach. In contrast, quantitative data was analyzed in SPSS utilizing both descriptive and inferential statistics in line with the study's goals. To ascertain the link between the study variables, inferential statistics techniques such as regression analysis and correlation were used. Tables and figures were used to display the results. It was clear from the investigation that the majority of human resource procedures were implemented, including hiring firms to assist with marketing and sales. The regression analysis confirmed that strategic leadership and cost-cutting strategies are important factors affecting employee performance in the firms and that market expansion strategies may not have a significant impact on employee performance. The study found that technological strategies may not have a significant moderating effect on the relationship between strategic response and employee performance among NSE listed Commercial Banks in Kenya. The research found that among Kenyan commercial banks listed on the NSE, there is a favorable relationship between workers' performance and strategy response. The research also finds that cost-cutting measures and strategic leadership have a big impact on worker performance across companies. Employee performance at Kenyan commercial banks listed on the NSE may not be significantly impacted by market growth or technology plans. The report also suggested that in order to improve employee performance, Kenyan commercial banks that are listed on the NSE should concentrate on creating a healthy work environment and having strong leadership. The recommended the

NSE listed Kenyan Commercial Banks to continue emphasizing and investing in expansion and cost cutting practices. According to the research, managers and executives may make more strategic decisions if they get leadership development and assistance. Additionally, banks should carefully assess their cost-cutting measures to make sure they don't negatively impact overall performance, job satisfaction, or staff morale. Regular evaluation of technological strategies can help identify areas for improvement and potential opportunities to leverage technology for better employee performance.

Key Words:. *Strategic Response, Employee Performance, Commercial Banks* Introduction

Introduction

Competitive dynamics in any business, including banking, are influenced by underlying technological and economic factors. Implementing specific activities may either improve or worsen a company's position in the industry. As a consequence, competitive strategy focuses on both influencing and analyzing the competitive environment in which a business operates. According to Ndung'u, Machuki, and Murerwa (2014), businesses may use this to better position themselves to cope with or affect the business environment. Businesses need to implement strategic efforts that are guided by strategic responses in this regard. According to Chiteli (2014), strategic reaction is an ongoing activity that involves addressing significant events that impact the business's operational environment in detail. In order to respond to customer needs and cope with workplace problems and changes, strategic solutions are seen as essential motivators (Collins, 2014). They realign businesses to adjust to a dynamic and ever-changing business environment. Employee performance in a business is greatly influenced by internal procedures that compare the effectiveness and efficiency of operations to a set of metrics. Wairimu (2017) concurs that performance is impacted by strategic responses and advises companies to develop internal resources in order to improve performance and fortify their competitive advantage. Both the horizon and the control dimension may be used to categorize strategic responses (Lischka, 2015). Different businesses develop and use distinct strategic solutions based on their resources, talents, abilities, and environment. Businesses may outperform their competitors in the sector by implementing strategic responses. Businesses that are offered comparable solutions in the same market react differently since companies in the same sector compete based on general orientation (Stenard, 2018). Tanui (2017) asserts that strategic reactions—which have a significant impact on employee performance—are determined by significant market changes, technology adoption, innovations, and strategy realignment. A key component of every organization is employee performance, which is the culmination of skills, efforts, task perception, and a record of outcomes for a particular job function (Kamau, 2013). Employee performance is measured by a variety of factors, including output quantity and quality, attendance at work, helpfulness and accommodativeness, and punctuality. These factors are essential for spotting potential human resource issues. Employee performance is influenced by both internal and external factors, including the management's application of ethical leadership, since it involves action, judgment, and assessment (Gonnah & Ogollah, 2016). Numerous metrics, including as output quality, customer happiness, achievement, punctuality, and absence or tardiness, have been used in the literature to assess employee performance (Gacii, 2019). While timeliness measures how quickly employees finish tasks, achievement measures how well they meet performance goals, and absenteeism measures how frequently employees miss work for reasons they are most aware of, customer satisfaction is measured by customer loyalty and feedback (Maina, 2020).

1.1.1 NSE Listed Commercial Banks in Kenya

Commercial banks are financial firms which have been authorized by Kenya's Central Bank to provide financial services. There are 43 registered banks in Kenya that provide financial services, of which only ten (10) are NSE listed. Kenyan commercial banks have seen several legislative and financial changes. These have led to changes in the sector's structure and the capacity of multinational banks to operate in Kenya. Commercial banks dominate Kenya's financial sector and keep the economy going (Ngugi, 2014). Anomalies abound in certain commercial banks due to cultural conventions that prohibit them from achieving their primary purpose of financial success. Profitable operations are vital to a bank's success. As a result, banks have produced several products over time, creating fierce rivalry to increase income. They have built a level of income, sourced diversity of Kenyan commercial banks, and improved their performance.

A growing banking business has emerged from initiatives to enhance retail banking and mobile money transfer in Kenya (CBK, 2021). The last decade's heightened competitiveness in banking was due to greater innovation and rivals. In December 2015, the industry's total assets increased by over 20% due to new entrants. This is even though the industry is facing several hurdles, including new rules and uncertainty in the macroeconomic environment. This has resulted in innovations in the banking sector aimed at ensuring the sector matches the Vision 2030 ambitions (Irungu, 2019).

1.2 Statement of the Problem

Any firm must have a strategic response in the wake of globalization, competition, and technology, which have made the globe a smaller place (Ansah & Louw, 2019). In order to consistently serve customers and stay competitive, organizations modify their goals, structures, and tactics in reaction to changing external circumstances (Mbirithi, 2013). If commercial banks are to thrive in this dynamic and intensely competitive environment, they must constantly evaluate their strategic plans and develop new competitive strategies to reflect changing market trends. However, there has been little, conflicting, and inconclusive empirical study on strategy response and employee performance. despite the fact that these strategic approaches enhance competitive advantage, according to Gaturu et al. (2015). Growing competition in the banking industry worldwide has made it necessary to apply crucial, consistent, and astute judgments in order to increase the survival rate of many institutions (McGrath, 2019). Strategic measures to improve staff performance have not yet been put into practice, as seen by the recent bankruptcy of several commercial banks (Gacii, 2019). Growing deregulation, technological advancements, and the resulting interconnectedness of global financial markets have made it very difficult for the banking industry to remain profitable. The recent demise of many commercial banks as a result of increasing financial losses, such as International Finance Ltd. in 2007, serves as evidence of this. 2008 saw Trade Finance Ltd., and 2012 saw Central Finance Kenya Ltd. Waiyera (2017). Furthermore, commercial banks such as Imperial Bank, Chase Bank, and Dubai Bank were put into receivership between 2010 and 2016 (CBK, 2020). Employee stress results in lower productivity, more absenteeism, poor levels of engagement, and low retention rates (Bundi, 2017). The banking industry in Kenya has also seen a considerable fall in employee productivity over the years (Tersoo et al., 2018). Concerns have also been raised by the fact that banks' financial troubles have led to deficiencies in industry workers' psychological wellness, stress levels, and job satisfaction (Maina, 2020). This begs the question of what specifically degrades workers' production, engagement, and productivity. In Kenya's Ministry of Lands and Physical Planning, leadership has an impact on how strategic

plans are carried out, according to empirical research by Ngairah (2018). Chironga, Cunha, De Grandis, and Kuyoro (2018) assert that the banking markets in Africa are ready for growth and innovation. Effective change management influences workers' commitment and sense of belonging, which is essential for firms to grow continuously more profitable, according to Wandera's (2014) research on financial institutions' change management, which included a contextual analysis of Kenyan banks. According to Bakoti (2016), an employee's attitude toward work-related circumstances or activity components affects their performance. On the other hand, Ponomareva et al. (2019) proposed that the level of performance accumulated was hampered by imbalances in the strategic controls. This, however, looks to go against the findings of Kalleberg et al. (2019), who claim that strategic answers don't significantly affect worker performance. This demonstrates that research on the impact of strategic response on employee performance has not been definitive, despite academic interest. Additionally, there is little actual data from Kenyan commercial banks that continue to claim declining performance. Employee performance has been left out of the majority of research, which have mostly focused on organizational or financial performance. Understanding suitable tactics might help these banks as it could help them deal with their present problems. The project will try to address the following research gaps: how do strategic responses affect employee performance in Kenyan commercial banks?

1.3 Research Objectives

The study aimed to determine the influence of strategic response on employee performance among NSE Listed Commercial Banks in Kenya. The study was guided by the following specific objectives:

i. To examine the effect of market expansion strategy on employee performance among NSE listed commercial banks. ii. To determine the effect of cost-cutting strategy on employee performance among NSE listed commercial banks. iii. To examine the effect of strategic leadership on employee performance among NSE listed commercial banks.

iv. To establish the moderating effect of technology adoption on the relationship between strategic response on employee performance among NSE listed commercial banks.

1.4 Research Hypotheses

H_{01}: Market expansion has no significant effect on employee performance among NSE listed commercial banks.

H_{02}: Cost-cutting strategies has no significant effect on employee performance among NSE listed commercial banks.

H_{03}: Strategic leadership has no significant effect on employee performance among NSE listed commercial banks.

H_{04}: Technology adoption has no significant moderating effect on the relationship between strategic response on employee performance among NSE listed commercial banks.

2.0 Literature Review 2.1 Theoretical Review

2.1.1 Contingency Theory

In 1964, Austrian psychologist Fred Edward Fiedler introduced Contingency Theory. The theory holds that businesses must first identify key contingency variables that distinguish between contexts, then group contexts that share these contingency variables into main groups, and finally decide on the internal organizational designs and responses that will work best for each main group (Zeithaml, Varadarajan & Zeithaml, 2009). According to Raduan et al. (2009),

the contingency theory holds that there is no one optimum strategy or approach to managing organizations because it is reliant on the features of the organization. Studies have further backed this theoretical approach by demonstrating that organizations should not be managed in a one-size-fits-all manner, but rather should devise unique managerial methods based on the specific state or situation in which the company finds itself (Ologbo, Oluwatosin & Kwakye, 2012; Exposito, & Sanchis-Llopis, 2018). This theory proposes that there are firm-specific characteristics that determine the form of their ventures. In terms of employee performance, these elements will heavily influence which strategic responses are adopted, the level to which these strategies are implemented, and the end-result of these strategies. As a result, among the commercial banks, one firm's success in improving employee performance through a certain approach would not necessarily convert to recurrent success in another firm with a different contextual setting.

2.1.2 Transaction cost Theory

Niehans and Hicks established Transaction Cost Innovation theory in 1983 to analyse numerous financial issues of businesses. According to this theory, to perform, the organization should be able to minimize transaction costs. The levels of transaction costs, according to this theoretical paradigm, are positively connected with the rate of adoption. In this aspect, it is expected that technological adoption will cut transaction costs, lowering the cost of financial services for customers. Transaction cost theory is used by researchers to explain why firms grow or source diverse activities from the outside world. According to this theory, when businesses make choices to maximize their profits, they must first evaluate the market to understand how demand is and product price. With this information, the company concentrates on allocating resources to guarantee that the management goals of expanding the firm's size and development are satisfied (Marris & Mueller, 1980).

Contemporary economies, which attempt to transcend beyond market institutions and explore additional solutions to flourish, are one of the growing topics in today's businesses. The theory proposes that firms are frequently overburdened by operational costs that are shifted to the outputs, resulting in rising costs of client transactions, a gap that technology and cost cutting strategies tend to fill. According to this theory, different risks are unavoidable because of the transactions; consequently, technical improvements and costs incurred should be analysed and potential solutions developed to improve employee output.

2.1.3 Technology Acceptance Model

Fred Davis created the Technology Adoption Model (TAM) in 1989. The theory predicts user adoption and use of technology deployed by companies, and it pertains to how enterprises adopt technologies to cope with the external environment's dynamics. Acceptance must be accompanied by increased efficiency and lower production costs for organizations. Simultaneously, users of technology, such as customers, are impacted by how, where, and when they will utilize technology to attain desirable purposes (Davis, 1989). The attitudes and opinions of users influence the level of acceptability, which in turn influences efficiency and performance. In essence, while acceptance is the first step, sustained usage and possible advantages result from changes in attitudes and behaviors.

Ajibade (2018) criticizes the approach, claiming that it primarily handles the context from an individual standpoint and not from an organizational standpoint. It also fails to consider the barriers that might prevent someone from adopting a particular technology because it is overly simplistic and overlooks critical elements. The model is relevant for this study because it

explains end user acceptance and behavioral usage of technology-based strategies. As a result, a favorable perception and attitude towards these technologies will have a positive impact on employee performance.

2.1.4 Leadership Style Theory

Fleishman and Hunt (1973) developed Leadership Style Theory to describe leadership behaviours. According to the theory, there are two types of leadership behaviour's: taskoriented behaviours and relationship-oriented behaviours. As a result, leadership styles will emerge based on the balance and combination of these two behaviours in influencing others (Fleishman & Hunt, 1973). The theory provides a framework for measuring leadership behaviours via an organized set of prescriptions for effective leadership behaviours (Nawaz, & Khan, 2016). The theory assumes that a high task, high relationship style will produce the best results. Empirical evidence suggests that persons who can mix both task and relational behaviours are more likely to be effective leaders (Ohunakin, Adeniji, & Akintayo, 2016). Effective leaders should therefore be concerned with the performance of group members while also ensuring that everyone is able to reach his or her full potential (Thompson, 2015).

The theory is significant because it gives evidence that certain characteristics arise naturally in individuals and lead to effective leadership. The theory's contribution to the study is that leaders should be able to approach leadership from both a task and a relationship standpoint. When leaders in commercial banks can combine these two approaches, they will achieve a good influence of strategic leadership on staff performance. This guarantees that while the leaders are pursuing the aim of profit maximization, they retain positive relationships with their personnel, thereby improving their performance.

2.2 Empirical Review

2.2.1 Market Expansion and Employee Performance

Nyawira (2016) conducted study with the specific purpose of assessing the influence of marketing innovation approaches on Kenyan commercial bank performance. According to the findings, expansion in markets led to improved performance. This relates to Alaaraj et al. (2018) who investigated the influence of external growth strategies on firm organizational performance, as well as the role of inter-organizational trust in mediating the link between growth strategies and firm performance. 240 senior managers from Malaysian public listed businesses (PLCs) provided data, which was analysed using moment structure analysis. Growth strategies, according to the findings, have a significant influence on organizational success. Acquisitions and strategic alliances have also been found to have a significant influence on organizational success. Furthermore, the influence of development plans on organizational performance is totally mitigated by inter-organizational trust.

Kariuki (2019) looked on the influence of product development on Kenyan commercial banks' financial performance. Internal and external factors were identified as predictors of commercial banks' financial performance in this study. Internal drivers of profitability are those that a bank's management can influence, whereas external determinants are those that are regarded outside its control. According to the conclusions of the study, new product development has a positive impact on Kenyan commercial banks' financial performance. Bang and Joshi (2019) did an exploratory study to see how much of a market expansion strategy a company use. The four components of a market expansion plan include growing consumption and buying capacity, boosting desire to buy, establishing affordability, and enhancing sustainability. The total market

growth strategy score has a favourable relationship with sales revenue and profitability in consumer durables. In the case of non-durables, however, the link is merely with the rate of sales growth.

In Nakuru County, Kenya, Muriithi, and Waithaka (2020) evaluated the role of market penetration methods among agrochemical enterprises. The inquiry took the form of a descriptive survey. In Nakuru County, the target demographic comprised of 20 agrochemical businesses. A census survey and selective sampling were used to choose 60 senior management personnel for the study. Self-administered questionnaires were used to gather data, which had been pretested for reliability and validity and validated to meet the requisite Cronbach's alpha value.

2.2.2 Cost-Cutting Strategies and Employee Performance

According to Kinyua (2015), pricing strategies and performance have a positive relationship. In Nairobi County, the author looked at the relationship between pricing strategy investments and commercial bank development. The researchers wanted to discover if there was a relationship between banks' continuous profitability increase and pricing techniques, for example. The statistics revealed a rising level of confidence in pricing strategies in terms of investment. There was universal agreement that pricing strategies were important to the company's success. Ilovi (2016) investigated the long-term viability of competitive advantage in Kenya's insurance business. According to the findings, insurance sector players should evaluate their approach on a regular basis to stay ahead of the competition. Some of the options provided by the author for addressing industrial competitiveness difficulties include costcutting approaches, a focus strategy, and resource investment. The goal of this study was to examine all competing strategies to fill a research gap. This ensured that the researcher's findings were not limited to a few competing strategies.

Bundi (2017) investigated the relationship between aggressive strategies and the performance of the banking sector. The research used a descriptive survey method. 132 individuals made up the sample, whereas 330 people made up the target population. Equity Bank has decided to adopt a cost leadership strategy generally in contrast to other market players, which has reduced total expenditures. In the study's conclusion, the differentiation strategy, differentiating characteristics or perceptions of uniqueness, and features of a bank's product that provide clients value beyond cost are discussed. That bank has developed characteristics that set it apart from its rivals. The bank also makes use of distinctiveness by attempting to be unique in its offerings and market entry techniques. Equity Bank employs a focus approach, concentrating on a particular market or demographic, to stave off competition.

Maina, (2020) showed a strong and favourable correlation between human resource efforts and bank financial performance. According to the study, 94 percent of banks employed penetration techniques, compared to 68 percent of institutions who used skimming techniques. Price skimming, competition-based pricing, and target costs, according to the research, all have a favourable impact on monetary success. Njuguna and Waithaka (2020) assessed the impact of a cost-cutting strategy on the performance of insurance firms in Nyeri County, Kenya. It was developed using the Dynamic Capabilities Theory and Porter's Five Forces Model. The county's twenty-five (25) insurance agencies were all examined utilizing a census research methodology.

A Pearson correlation analysis revealed a significant and positive link between cost leadership and organizational success (r=0.791, p=0.01). Cost leadership (=880, p=0.004) was shown to have a favourable effect on organizational performance in a multiple linear regression study.

Therefore, it was determined that implementing cost leadership strategies benefits the organization.

2.2.3 Strategic Leadership and Employee Performance

Chege, (2018) looked at leadership among Kenyan commercial banks. The research used a cross-sectional survey and suggested that a substantial positive association between leadership traits and organizational performance should be considered. Similarly, Muindi (2018) looked at how top management leadership styles affected academic achievement. 74 reputable institutions in Kenya were the focus of the study, which used a descriptive research methodology. The research involved both students and professors to get information on the relationship between leadership and performance at their various institutions. In addition, little study has been done on the relationship between leadership and academic success in African universities. According to the research, leadership philosophies have an impact on the performance of Kenyan universities. The effectiveness of universities was shown to be strongly correlated with transactional and transformational leadership in Kenya.

The connection between organizational leadership and employee performance was investigated by Sunjo (2019). Information was gathered from a sample of 135 leaders and 405 followers using questionnaires. The Chi square Goodness of Fit test demonstrates that there is a clear correlation between organizational leadership and employee performance and that the predominant leadership style in public schools is not substantially different from that in private schools. Buil and coworkers conducted research on the underlying processes and border conditions that support the link between transformative leadership and the production of frontline staff members in 2019. The data from 323 front-line hotel employees were assessed using partial least square regression. According to the research, sequential identification and engagement may function as mediators of employee performance. Finally, the findings show that a proactive personality strengthens leadership's influence on identification and engagement.

The effectiveness of managers' and department heads' leadership styles as it relates to employees' job satisfaction was evaluated by Dalluay and Jalagat (2020). Even if there is still space for improvement, the findings showed that firms should always take advantage of leadership approaches that boost staff productivity and work happiness. Comparably. In the SNVT Provision of Housing in the East Java Province, Wulandari et al. (2021) assessed the effects of delegating leadership style on employee performance as mediated by self-efficacy.

2.2.4 Strategic Response, Technology Adoption and Employee Performance

Balogun, (2016) examined IT among Nigerian banking industries. The research looked at 15 different banks. A total of 450 employees were picked at random. Primary data was collected through questionnaires. The findings revealed that technological innovation has an impact on bank employee performance, customer happiness, and profitability. According to the conclusions of this study, businesses should appropriately manage technological innovation to improve employee performance, customer satisfaction, long-term profit, greater return on investment, returns on equity, and acquire a competitive advantage in the banking industry. Pirzada and Ahmed (2017) conducted study on the advancement of new technologies in the automobile industry, with a focus on Pakistan Suzuki Company's current use. The study's sample technique is handy because the company did not provide a sampling framework, hence the research is descriptive in nature. A perspective of advanced technology study was done on 100 employees of Pakistan Suzuki Motor Company based on four criteria. Designing, production, planning and research, and engineering were the factors.

All the criteria, according to the statistics, have significant correlations with new technology and firm business goals. In addition, inferential research reveals that most employees believe that contemporary technology has significantly benefited the company's performance. Gakuubi (2018) used the Nairobi Bottler's Logistics Operations as a case study to evaluate the effects of IT in firms. According to the conclusions of the study, effective information flow management has improved the company's internal and external procedures. However, the study did not examine at the financial feasibility of these companies. This compares to Rogers (2017) who conducted research in Australia's banking industry to better understand customer acceptance of internet banking. The demand for banks to provide extensive and deep levels of customer service, particularly in terms of the timely availability of support-oriented information provided by competent bank personnel, is a noteworthy outcome that has not previously been addressed.

Gacii (2019) investigated the factors that influence bank customers' decisions to use Facebook pages for online communication. To compare outcomes, 377 United Nations employees in Nairobi were surveyed using a mixed methods research technique and a contemporaneous triangulation approach design. A positive effect was established on facilitating conditions, social influence, and behaviour intention—and the use of Facebook sites for communication, with $p=0.000$. Enabling conditions had the highest impact, with a $r=0.324$, followed by social influence and behaviour intention, both with a $r=0.276$.

2.3 Conceptual Framework

Figure 1 shows the relationship between the research variables.

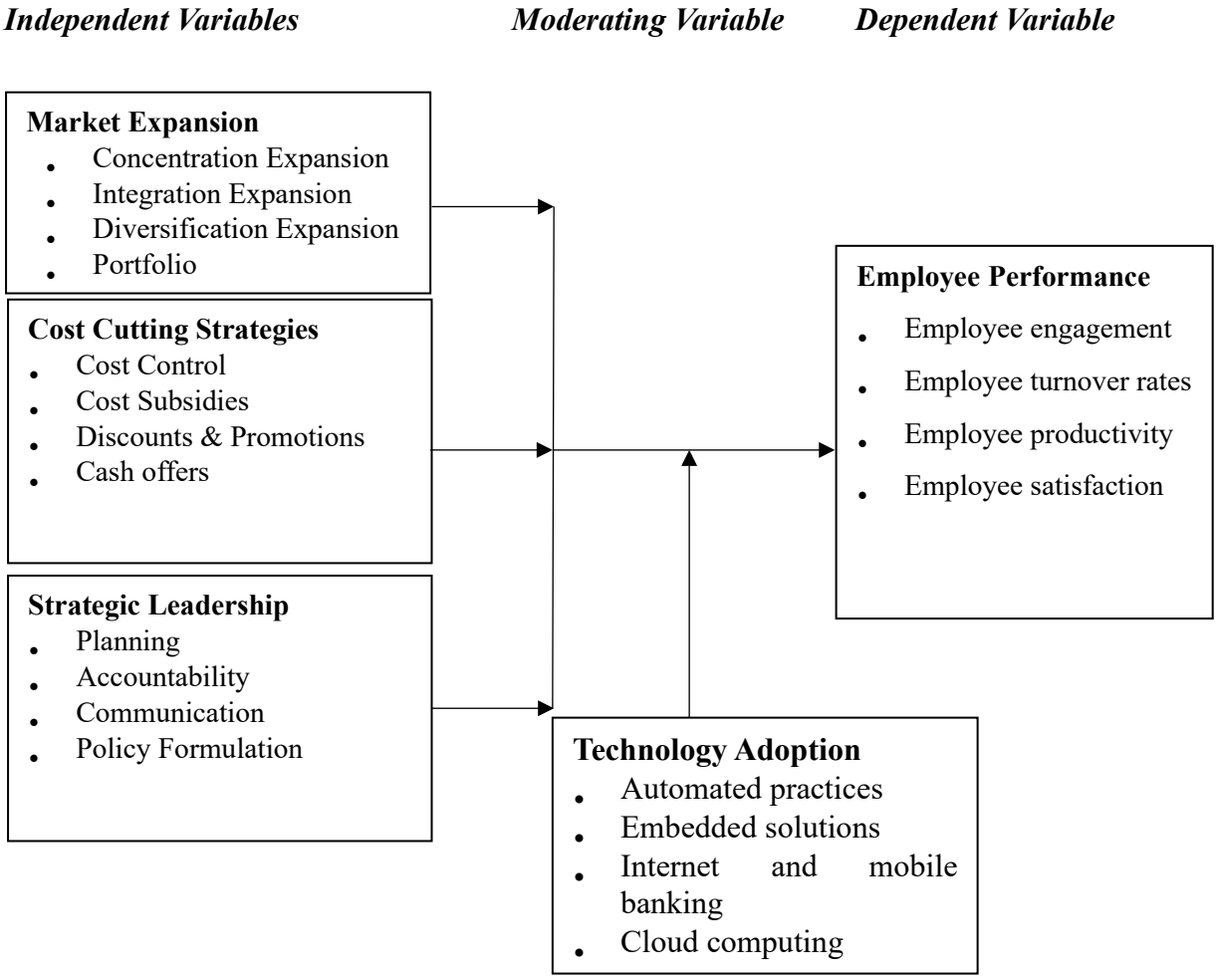


Figure 1: Conceptual Framework

Source: Author (2022) 3.0 Research Methodology

This study adopted the descriptive research design which has been widely and successfully used in the reviewed literature. Because the research design allows for a precise profile of situations, events, and people, it is seen to be the ideal method for addressing the study objectives (Aaker, 2011). Primary data was used in the research. Primary data was utilized to collect crosssectional data, as well as to capture non-quantitative components of the study that may not be apparent from the data obtained, and therefore to confirm the quantitative analysis results. The managers of the individual banks will be the responses. Primary data was gathered using semistructured questionnaires that include both open-ended and closed-ended questions. Questionnaires were used because they are cost-effective and can capture a wide range of data in the lowest amount of time. The questionnaire was divided into sections that covered the nonquantitative parts of the study, with each portion addressing the study's unique goals. The respondents' opinions were ranked using a Likert Scale, which mostly comprised assigning a score on a scale of 1 to 5, with some brief explanations necessary for specific topics.

The questionnaires were distributed to the respondents as part of the data collecting operation. To avoid any hassles, the researcher will schedule appointments ahead of time. The researcher requested an introductory letter from the university's directorate of postgraduate studies to help with the introduction. Following the introduction, the researcher left respondents with surveys

for two weeks before selecting them for data cleaning. Follow-up was done via emails and phone calls to remind responders and double-check the data gathering process.

The regression model used took the following format: $Y=\propto+\beta_1X_1+\beta_2X_2+\beta_3X_3+\varepsilon$

Where, α is model intercept, β_1-β_5 are the various intercepts, Y is Employee Performance X_1 is Market Expansion, X_2 is Cost Cutting Strategies, X_3 is Strategic Leadership, and ε is the error term.

4.0 Research Findings

Multiple regression analysis was conducted to show the relationship relationship between strategic response on employee performance among NSE listed commercial banks. The regression analysis results are presented in the table 1.

Table 1: Model summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.979[a]	0.958	0.955	0.15122

a. *Predictors: (Constant), Strategic Leadership, Market Expansion, Cost Cutting Strategies*

Source: Research Data (2023)

Results in Table 1 shows that the relationship between strategic response and employee performance had a coefficient of correlation of 0.979 and coefficient of determination of 0.958 with a standard error of 0.15122. The results indicate that 95.8 percent of employee performance can be explained by organization strategic response. The model shows a strong relationship between independent and dependent variables.

Table 2: ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	21.877	3	7.292	318.877	.000[b]
Residual	0.960	42	0.023		
Total	22.837	45			

a. Dependent Variable: Employee Performance
b. Predictors: (Constant), Strategic Leadership, Market Expansion, Cost Cutting Strategies

Source: Research Data (2023)

The regression model accounted for a significant amount of the variance in employee performance (F (3, 42) =318.877, P, <.001). The predictors collectively explained 21.877 units of the total sum of squares. The remaining unexplained variance was minimal (residual

SS=0.960). The relationship between strategic response and employee performance was statistically significant.

Table 3: Model Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	-0.023	0.171		-0.134	0.894
Market Expansion	0.159	0.041	0.163	3.859	0.000
Cost Cutting Strategies	1.074	0.044	1.038	24.554	0.000
Strategic Leadership	0.094	0.039	0.087	2.437	0.019

Dependent Variable: Employee Performance

Source: Research Data (2023)

Market expansion strategies had a coefficient of 0.159, $p<0.05$, Cost Cutting Strategies coefficient of 1.074, $p<0.05$ whereas Strategic Leadership had a coefficient of 0.094, $p<0.05$. Thus, market expansion strategies, cost cutting strategies and strategic leadership strategies had a significant effect on employee performance. The data analysis highlights the significant role of market expansion, cost-cutting strategies and strategic leadership in influencing employee performance. Market expansion strategies and strategic leadership had smaller effects compared to cost-cutting strategies which had the strongest positive impact on employee performance. This aligns to a study by Maina, (2020), which found that Price skimming, competition-based pricing, and target costs all have a favourable impact on monetary success.

Table 4: Hypothesis Testing Results

Hypothesis	Test Criteria	Results	Conclusion
H_{01}: Market expansion has no significant effect on employee performance among NSE listed commercial banks.	P-Values (P<0.05) (P<0.1)	P=0.000 (P<0.05)	*Reject hypothesis*
H_{02}: Cost-cutting strategies has no significant effect on employee performance among NSE listed commercial banks.	P-Values (P<0.05) (P<0.1)	P=0.017 (P<0.05)	*Reject hypothesis*
H_{03}: Strategic leadership has no significant effect on employee performance among NSE listed commercial banks.	P-Values (P<0.05) (P<0.1)	P=0.000 (P>0.05)	*Reject hypothesis*

H_{04}: Technology adoption has no significant moderating effect on the relationship between strategic response on employee performance among NSE listed commercial banks.	With and without the moderator, P-Values (P<0.05) (P<0.1)	With and without the moderator, P=0.000 (P<0.05)	*Accept hypothesis*

Source: Research Data (2023)

The findings from the hypotheses analysis indicates that the p-values for all variables except Technology adoption were below the significance level of 0.05 (P<0.05). Consequently, the null hypotheses were rejected, and the alternative hypotheses were accepted. The study therefore concluded that market expansion strategies, strategic leadership and cost-cutting strategies were all significant to employee performance while technological strategies were insignificant.

5.0 Conclusions and Recommendations 5.1 Conclusions

The study sought to examine the effect of market expansion strategy on employee performance among NSE listed commercial banks. Both descriptive and inferential approaches were used to examine the data. Market expansion strategy has a positive and statistically significant relationship with NSE-listed banks' success, according to a simple regression research. Thus, Market Expansion Strategies is an important aspect in Employee Performance. The study also sought to determine the effect of cost-cutting strategy on employee performance among NSE listed commercial banks. This study reveals a strong and favourable correlation between human resource efforts and bank financial performance. Therefore, Price skimming, competition-based pricing, and target costs, according to the research, all have a favourable impact on monetary success.

The study aimed at examining the effect of strategic leadership on employee performance among NSE listed commercial banks. According to this study, leadership strategies have an impact on the performance of Kenyan NSE-listed Commercial Banks. The effectiveness of the banks was shown to be strongly correlated with transactional and transformational leadership in Kenya. The study also sought to establish the moderating effect of technology adoption on the relationship between strategic response on employee performance among NSE listed commercial banks. According to the conclusions of this study, banks should appropriately manage technological innovation to improve employee performance, customer satisfaction, long-term profit, greater return on investment, returns on equity, and acquire a competitive advantage in the banking industry.

5.2 Recommendations

Investing in practices such as recruitment of agencies for marketing and selling is recommended, since the adoption such practices was found to be effective. This practice contributes to improving the performance of Kenyan Commercial banks. The positive correlation among employees in NSE- listed banks makes it important to prioritize and promote a thriving work environment that motivates collaboration, communication, and teamwork. Performance can be enhanced through practices such as building an informed employee relationship which can also contribute to the overall success of institution. The study also recommended adaptation of strategic leadership to enhance employee performance through boosting productivity and promotion of innovation. NSE listed Commercial Banks are also

recommended to focus on developing effective leadership practices and provide support to the managers and executives.

According to the regression analysis, employees should not undertake cost-reduction strategies due to their negative impact on their performance. They should carry out cautious evaluation of the cost-cutting methods to ensure they do not jeopardise their effectiveness. Continuous assessment and adaptation of technological approaches is recommended to meet the developing requirements of the banking industry. Banks should also regularly assess the technological strategies that may reinforce improvement of employee performance.

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