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# HOW STRATEGIC PLANNING CULTURE HAS MADE EQUITY BANK REMAIN AT THE TOP IN MICRO FINANCE BANKING IN KENYA, AFRICA AND THE WORLD

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**Abstract**

*The purpose of this paper is to examine how the culture of strategic planning has made Equity bank to remain at the top of microfinance banking in Kenya, Africa and the world. Equity Bank has revolutionized the banking concept in Kenya and has made banking accessible to majority of the Kenyan and East African population. The bank has done well where others have failed especially on reaching out to the bottom of the pyramid segment. Equity bank has a very strong institutional culture of strategic planning that has helped in its growth and expansion. The employees in the bank treat their jobs like a calling to liberate the people of Africa and its either you fit or you don't fit in that culture. This culture has seen employees giving their best in terms of time and energy which has seen the company record excellent performance over the years. The study used descriptive research design. The target group was the middle level managers in the Bank. Semi-structured questionnaires and key informant interviews were used as the instruments for data collection. Data was presented by the use of both descriptive and inferential statistics. The study revealed that Equity Bank had several strategic management practices which touched on formulation, implementation and evaluation. These included self-assessment, competition analysis, resource allocation, strategic management procedures. The bank had a very strong organizational culture which it leveraged on to push the strategic* *agenda. The study concludes by retaliating that adoption of strategic planning practices and institutionalization of a supportive institutional culture are great drivers of organizational performance.*

*Keywords: Culture, Performance, Practices, Strategic Planning, Strategic Management*

## INTRODUCTION

The banking sector in Kenya is very attractive and highly profitable, and plays a vital role in the economic resource allocation as they channel funds from depositors to investors continuously boosting the country's economy. Though other factors contribute immensely, the banking sector use of strategic management practices can be linked to this profitability.

A company's strategy consists of the business approaches and initiatives it undertakes to attract customers and fulfill their expectations, to withstand competitive pressures and to strengthen its market position. These strategies provide opportunities for the organization to respond to the various challenges within its operating environment. Firms also develop strategies to enable them seize strategic initiatives and maintain a competitive edge in the market (Porter, 1985) which in return brings about better performance and firm growth. This study sought to find the link between strategic management and the performance of commercial Banks in Kenya.

### Banking Sector in Kenya

By the year 2013, there were forty-four (44) commercial banks in Kenya and several non-bank financial institutions like building societies and mortgage finance companies (CBK, 2013). However, the banking industry is dominated by five (5) major banks which include: Kenya Commercial Bank Limited, Equity Bank, Co-operative Bank, Barclays Bank and Standard Chartered Bank (CBK, 2013). A few international banks have established branches and subsidiaries in Kenya. Micro-finance institutions which were previously unregulated were in December 2006 brought within the regulation regime. The Islamic banking market although recently introduced in Kenya is currently growing giving rise to two fully fledged Islamic banks which have been licensed to operate, and many other mainstream banks are opening Islamic banking windows though work remains to be done on appropriate regulatory frameworks for Islamic Banking (CBK, 2013).

The banking industry in Kenya is governed by the Companies Act, the banking Act, the Central Bank of Kenya Act and the various prudential guidelines issued by the Central Bank of Kenya (CBK). The banks have come together under the Kenya Bankers Association (KBA), which serves as a lobby group for the banking sector's interests. The KBA serves a forum to address issues affecting members (CBK, 2013). Over the last few years, the banking sector in Kenya has recorded good growth and has therefore attracted players in this industry which includes some multinationals. Competition is therefore very high but the industry remains highly attractive due to the good performance that is reported by most of the banks (CBK, 2013) owing to the industries' innovativeness, technology integration and strategic management practices. As per the CBK report for the year 2013, the whole industry recorded Ksh61.5B in profits for the first half of year with Equity Bank contributing Ksh8.95B to this basket. Despite the many players in the industry, there are still over 17 million Kenyans who are currently un-banked according to the CBK report indicating that the sector still has room for expansion. Access to financial services has however increased significantly over the last few years (CBK, 2013).

The banking sector has adopted strategic management practices and this greatly attributes to the high profits reported in the sector. Muriuki (2010) sought to determine the relationship between strategic planning practices and performance of commercial banks in Kenya. The objectives of the study were; to establish the strategic planning practices adopted by commercial banks in Kenya and secondly to determine the extent to which the strategic planning practices adopted by a bank influences the banks performance. The finding was that strategic planning practice has a positive correlation with performance where a proper plan is in place (Muriuki, 2010). In the study, all banks were found to have strategic statements that gave them a direction of where they are going. They were also found to be doing situational analysis through use of strategic planning tools like SWOT and environmental scanning through the use of PESTEL.

The good performance of the banking sector has been attributed to the adoption of current technology and innovative products (Kathama, 2011). Banks have been known to have a good adoption rate of technology and they keep on re-inventing themselves and the way they do their business through use of latest technology. Majority of the banks have adopted the mobile banking technology which gives customers easy access to their accounts for 24 hours, 7 days in a week. This has in turn lowered the cost of doing transactions to the banks and hence translating into higher profits (CBK, 2013).

In light of the highly competitive environment under which banks operate from, it is difficult to emerge the top in the industry consistently. In the local banking sector, Barclays Bank which was for a long time the market leader in terms of market share and profitability has been recording consistent declining performance in the last five years. The decline could largely be attributed to the strategies that they adopted seven years ago of changing their market focus to the middle and upper segment as contained in their strategy report for the year 2006

(Mahomed, 2013). On the contrary, Cooperative Bank has been recording improved performance over the last few years to the extent of overtaking Barclays Bank despite that they used to be way below them in terms of profitability. This good performance has been attributed to the strategies that they decided to adopt to re-invent themselves (Anyanzwa, 2013). At the same time Equity Bank has also been recording good performance due to its strategies of focusing on the bottom of the pyramid segment that has acted as the building blocks for its enormous growth as discussed in the research (Coates, 2007). It is against this background of stiff competition and the consistent good performance of Equity Bank that this research has been undertaken.

**Equity Bank**

Equity Bank was established in 1983 as a mortgage company. It later changed its business focus from the mortgage business to the microfinance model that targeted the farmers. It was incorporated as a commercial bank in 2004 which widened its microfinance focus to the other sectors like salaried clients and small businesses. Its vision has been "to be the champion of the socio-economic prosperity of the people of Africa". The mission of the bank has been "to offer inclusive, customer focused financial services that socially and economically empower their clients and other stakeholders"(Graham & Cracknell, 2007, p. 32).

Equity Bank, being one of the 43 players in the banking industry, has revolutionized the banking concept in Kenya and made banking accessible to majority of the Kenyan population. The bank has focused on strategies that will help it achieve its vision and get to the mass market in the African continent. These are strategies like automating most of its processes, coming up with very innovative products, partnering with likeminded partners in the payment industry and continuously seeking to be ahead of the park in the industry so as to enjoy first movers advantage(Coates, 2007).

Equity Bank has done well where others have failed especially on reaching out to the bottom of the pyramid segment and hence the reason why it has been picked as a case study (Coates, 2007). This was a market segment that the other banks had ignored and even pulled out of. "By 2006, Equity Bank's fast growth and successful financial performance attracted the attention of other players in the market. In addition to the larger MFIs, Equity also had to compete with international financial behemoths including Barclays and national players including Kenya Commercial Bank (KCB) and the Cooperative Bank of Kenya (Co-op). All these banks signaled an intention to begin targeting poor Kenyans (Coates, 2007, p. 21). Also, the "big banks" went ahead to copy Equity Bank's strategy of targeting the BOP and therefore can be described as a market leader in the banking sector, though they were late since the company had already taken up the majority market stake.

Equity Bank, just like its peers in the industry has been leveraging on strategic management practices to enhance its performance. It's been using the strategic planning process by first making it very clear where it's headed to through its vision (Graham & Cracknell, 2007). It has also ensured that all staff knows exactly how their work contributes to the mission and vision of the company. This has been done through breaking down the strategic statements into eight critical success factors, which have in turn been broken down into goals, targets and activities (Graham & Cracknell, 2007). The result of this clarity of vision has been good performance since everyone is clear on their role and contribution to the bigger basket.

**Objective of the Study**

The general objective of the study was to determine how strategic planning culture has resulted to the performance of Equity bank.

**Key Research Question**

How has the culture of strategic planning affected the performance of Equity Bank?

**Historical Perspective of Strategic Management**

The history of strategic management can be traced back to several dates starting with 320 BC to the work of Sun Tzu on military strategy when he wrote the art of war (Hawkins & Rajagopal, 2005). Strategic management is a term that was coined at Pittsburgh University to rename business policy (Lyles, 1990). A clearer definition was provided by Schendel and Hofer that takes strategic management as a process that deals with organization renewal and growth, and more particularly with developing and utilizing strategy which is to guide the organizations operations (Hofer & Schendel, 1978). Strategic management can be broken down into six components as the major intended and emergent initiatives, taken by general managers on behalf of owners, involving utilization of resources, to enhance the performance, of the firms, in their external environments (Nag, Hambrick, & Chen, 2007). These components reflect the elements of planned and emergent initiatives, key players in the firm, usage of resources in the firm, objectives of the firm, focal unit of strategic management and the immediate environment of the firm.

The theoretical work of strategy has come from two discipline sources which are economics or organizational psychology. The two disciplines are from separate schools of thought as advocated by those scholars who had organizational or management theory background like Mintzberg (1998) and the scholars who had an economic theory background like Porter (1980).

### Strategic Management Practices

Many research have been conducted from this area where the influence of different factors on the incidence of strategic management has been examined. All these factors have been categorized by different criteria and different results on the individual influence of each strategic planning factor has been determined. In the research conducted by Brush and Vanderwerf (1992), the impact of the business structure factors and management structure factors on the strategic planning practice has been measured. This research suggests that the business size, measured by the number of employees and revenues, the management training, the intention to change the operation and the major decision makers' on education and experience appear to have a significant association with the planning. Although business age and industry type affect the planning, this relationship is much weaker than the univariate analysis suggests (Brush & Vanderwerf, 1992).

The firm size, industry type and environmental turbulence, leads to a more formalized planning system (Mintzberg, Ahlstrand, & Lampel, 1998). The research by Mintzberg (1998) also demonstrated a significant correlation between the size of a company, clarity (the expression of purpose and shared values through a mission statement for the company) and the formalized strategic plan. He suggests that "entrepreneurial firms engage in more sophisticated planning than small firms and that in both types of firms as perception of environmental uncertainty increases strategic and operational planning increase". Strategic planning intensity increases with environmental complexity and firm size and planning intensity decreases with firm's age and specialization rate (Mintzberg, Ahlstrand, &Lampel, 1998).

## THEORETICAL FRAMEWORK

### Porter's Five Forces

To be able to analyze the business environment, one of the theories that are commonly used is Porters five forces model. This helps in analyzing the external environment in the industry in which a firm is playing in. Porter's five forces model has its base in the industry structure, firm conduct and firm performance which can be summarized as structure-conduct-performance framework as described by Teece (1984). In his view structure refers to industry composition, the firms conduct refers to the strategies taken and the performance refers to such things like profitability. The framework views the attractiveness of the industry structure as the main determinants of a firm's profitability. According to Porter, there are five forces that determine the performance of the firm in the industry namely; Industry competition, threat of new entrants, threat of substitutes, bargaining power of the buyers and the bargaining power of the suppliers. Porter states that a firm should find a fit position in the industry from which they gain their competitive edge against the forces. This argument makes the model to be referred to as the position approach. With this position approach, earning profits above the industry average in the long run therefore becomes the fundamental basis of sustaining a competitive edge (Porter, 1985).

Competition within the industry is rivalry among the competitors and it also reflects the intensity of competition of the firms within that industry. A high degree of competition in the industry reduces the competitive state of that industry and hence the overall profits are reduced. This is addressed through attaining a competitive edge over the other players by letting the customers see and experience the value of the product that the firm is offering. This could be through superior quality products, superior customer service, competitive price etc.

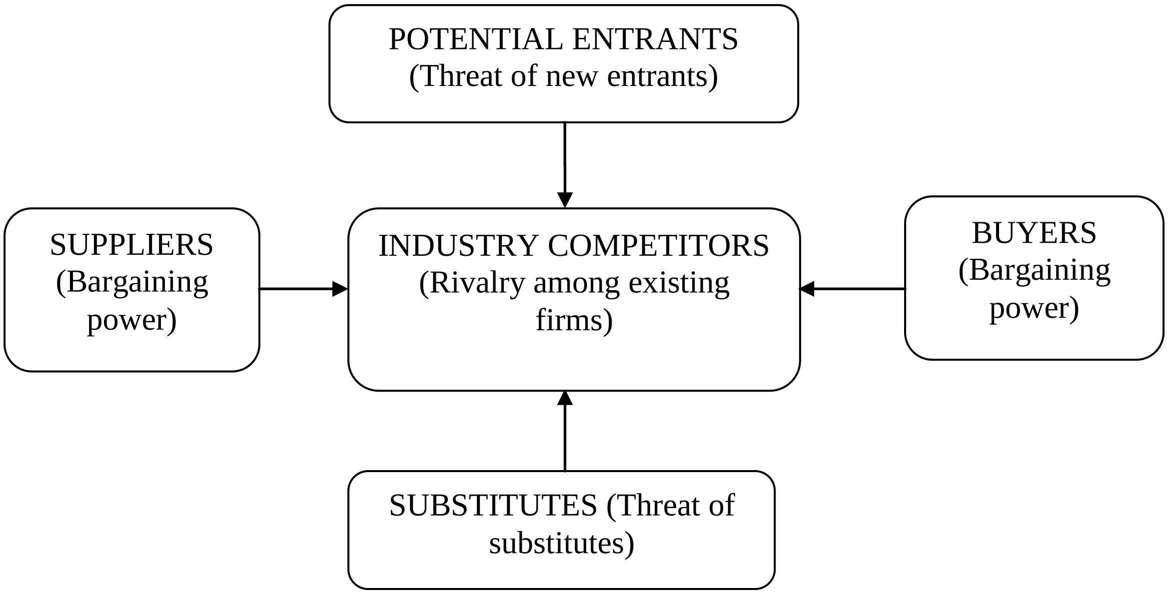
Threat of new entrants is when new competitors decide to enter into an industry which in turn reduces the market share and the profitability of the existing firms. This threat is normally curbed by erecting barriers to entry that includes economies of scale, capital requirements, product differentiation, access to distribution channels, high switching costs and government policies.

Threat of substitutes is where products serving the same needs are introduced in the industry thereby limiting the price that firms can charge profitably. This is because the substitutes serve the same needs as the firm products but are sold at lower prices than the firm's products hence customers prefer them. This in turn sets a cap on the prices that the firms can charge on their products which may be below breakeven point and thus squeezing profitability of the industry. A firm can curb this through proper differentiation of its products by becoming a low cost producer and also by focusing on the quality of its offering.

Bargaining power of suppliers is where we have powerful suppliers who are able to sell their goods and services to the firms at higher prices or are able to reduce the quality of the goods and services without the firms having control. This eventually reduces profitability of the firms in the industry. This can be curbed by a firm doing backward integration to become a supplier to itself.

Bargaining power of buyers is where customers have a lot of power and are able to influence prices, quality and level of services to their advantage. They can also have powers to play the firms against each other. This can be curbed through forward integration by merging with a buyer to create a market for its products where it can determine the price.

Figure 1: Porter's Five Forces Model




(Porter, 1980)

**Generic Model by Porter**

To be able to deal with the above forces effectively, a firm is supposed to find a position on where to play in the industry which could be by having strategies like low cost, differentiation or focus (Porter, 1980).These strategies are referred to as generic because they can be applied by different types of firms in different industries. These include:

Cost leadership strategy is where the firm chooses to become the lowest cost producer so as outperform the rivals in the industry without losing profits. Low cost production enables the firms to sell at below average prices in the industry and hence gaining a bigger market share as a result. The bigger market share in turn enables them to earn above average profits in the industry.

Differentiation Strategy is the strategy that sets a firm to have unique products or services as perceived by the customers. The firms are therefore able to sell at a premium price because of the perceived uniqueness and hence enabling them to earn above average profits in the industry.

Focus Strategy enables a firm to focus on a specific market niche or segment and serve it to its level best. The result of this is high specialization which enables a firm to gain a competitive edge through that segment and in the end earn above the average profits in the industry. However, the generic model can be criticized in that the particular actions required to implement each generic strategy differ broadly from industry to industry (Frank, 2011).

Figure 2: Generic Model

| | | Competitive Advantage | |
|---|---|---|---|
| | | Lower Cost | Differentiation |
| Competitive Scope | Broad Target | COST LEADERSHIP | DIFFERENTIATION |
| | Narrow Target | FOCUS | |

(Porter, 1980)

## METHODOLOGY

The study adopted a descriptive research design. This is because the researchers determined the impact of the variables in relation to each other so as to present the bigger picture of the variables in a particular situation as recommended. The study focused on describing the characteristics of relevant groups, such as consumers, salespeople, organizations, or market share. It also estimated the percentage of units in a specified population exhibiting a certain behavior (culture) as well as determines the degree to which market growth variables are associated.

The population for this study included the entire staff of Equity Bank which was 8,200 staff (EBL annual report, 2013). The target population was 65; 55 branch managers in Nairobi region and 10 general managers from the head office. Convenience sampling technique was adopted for the study on the basis of the ease it provided to access the branch managers and general managers who are mainly based in Nairobi. In this research, the branch managers were deemed knowledgeable and conversant about the topic of study and they were therefore conveniently targeted. The target population in the study is same with the sample; all the targeted respondents were considered for constituting the sample size. The analysis was done using measures of central tendencies' such as mean, mode and median as well as measures of dispersion and distribution.

The research used both numeric and non-numeric data. Numeric data was from questions that were addressing the performance of the organizations like the profitability, growth rate, market share and earnings per share. Non-numeric data were from questions on the different strategic management practices in use at the bank. This could be like the different technologies used the institutional culture etc. Descriptive statistics and inferential statistics were used. The analysis was done by the use of statistical package for social sciences (SPSS) software version 21.

To minimize the possibility of errors in the instrument used as well as increasing the reliability of the data collected, Cronbach's Coefficient Alpha was used and a value of 0.724 was obtained and therefore the instrument was accepted to be highly reliable. Content validity was used in this study and the extent to which a measure represented all the aspects of the study variables was determined.

## ANALYSIS AND FINDINGS

### Demographics Statistics

#### *Response rate*

Out of the total of 65 respondents sampled, 52 successfully returned the questionnaires which translated to a response rate of 80%.

#### *Gender*

Out of the 52 respondents, 37 (71%) of the all respondents were males while 15 (29%) were female. This shows that majority of the respondents who took part in this study were mainly male who held middle level management roles. Gender balance has become very important and critical in every aspect of life. Gender representation is considered in management, leadership and in other spheres of life. Kenya Constitution 2010 requires that the 1/3 gender rule should be fulfilled.

#### *Duration in the Banking Industry*

The findings reveal that 34% of the respondents had worked with banks for a period between 10-14 years, 26% had worked with banks for 15-19 years. Another portion of 26% had worked in the banking industry for more than 20 years. These findings imply that majority of the respondents had good working experience with the banks The number of years a person spends in a given specialization increases the understanding of the person on that job and increases his experience on that particular job. These findings where 86% of all the respondents had been in the banking industry for more than 10 years indicates that there was more understanding on the questions asked in the questionnaire thereby giving more reliability to the results.

**Strategic Planning**

The findings on how strategic planning process contributes to Bank performance of are presented here. The data was collected on a five-point Likert scale where 1 represented 'no extent at all' and 5 represented 'very great extent'. In the continuum, 2 represented low extent, 3 moderate extent and 4 great extent. The data has been analyzed using mean and standard deviation.

Table 1: Strategic Planning Process

| | Mean | Std. Dev. |
|---|---|---|
| Evaluating its current position through SWOT, PESTEL etc. | 4.39 | 0.64 |
| Being clear on where it wants to go through its strategic statements like vision, mission, etc. | 4.82 | 0.39 |
| Being clear on how to achieve the vision by having clear strategies | 4.52 | 0.65 |
| Having clear core values, position statements, tagline | 4.66 | 0.63 |
| Having proper leadership support in strategy execution | 4.50 | 0.65 |

The study found that the bank's evaluation of her position in the market through SWOT and PESTEL analysis contributed to better its performance to a great extent (M=4.39). This means that the banks strategic initiatives are formulated based on the outcomes of the situational analysis. This is a key step in strategic planning (Capon, Farley, & Hulbert, 1994).

The bank's vision and mission on where it wants to go and how to get there were found to have bettered its performance to a very great extent (M=4.82). The said vision and mission's clarity was also found to have bettered its performance to a very great extent (M=4.52). The presence and clarity of the vision and mission is key in coming up with the right strategies and implementing them (Hofer & Schendel, 1978).

Core values, position statements and taglines were found to have contributed in bettering its performance to a very great extent (M=4.66) indicating that the bank has some core values that guides its operation. Further, the bank's proper leadership support in strategy execution contributed to bettering the performance to a great extent (M=4.50). This means that the bank has good leaders who provide guidance on the strategic direction by setting a clear direction on where the bank wants to go.

Proper leadership in the strategy execution has also been attributed to better performance in the organization in a Columbia business school research by Chazen. He attributed the good performance of Equity Bank to the leadership of that bank as they were able to marshal the support of all key stakeholders in implementing the strategic initiatives that were introduced. The leadership was also attributed to the revolutionized banking concepts that were introduced in the banking industry (Chazen, 2009). Some of these concepts introduced by the leadership like the "low cost high volume model" have led to better performance of the bank. Also, the support accorded to the strategy implementation by the banks' leadership as per the research findings has seen to the success of most strategies which has translated to better performance in the organization (Chazen, 2009).

### Institutional Culture

The findings on how institutional culture has affected the performance of Equity Bank are presented in table 2 below.

Table 2: Institutional Culture

| | Mean | Std. Dev. |
|---|---|---|
| Staff commitment to their jobs | 4.08 | 0.59 |
| Use of incentives and rewards to performance | 3.47 | 0.76 |
| Coaching and mentoring to perfect the roles | 3.74 | 0.60 |
| Bank has an innovative culture | 4.30 | 0.70 |
| Teamwork among staff in achieving the goal | 4.16 | 0.68 |
| Staff commitment to customer service | 4.05 | 0.61 |
| Bank has a performance culture | 4.29 | 0.65 |

The findings on institutional culture and its effect on performance is presented in Table 2 shows that the bank staff's commitment to their jobs contributed to better the performance to a great extent (M=4.08), the bank's innovative culture contributed to better the performance to a great extent (M=4.30) and the teamwork among staff contributed to better the performance to a great extent (M=4.16). Further, the study found that the staff members' culture of commitment towards their customers' service contributed to better the performance to a great extent (M=4.05) and the performance culture contributed to better the performance to a great extent (M=4.29)

The study findings indicate that the bank has a working culture and spirit which influences the employees to be committed to their jobs. There is also an innovative culture in the bank, teamwork among staff, commitment towards customer service and a spirit of competition. According to Coates (2007) the staff members of Equity Bank treat their jobs like a calling to liberate the people of Africa and its either you fit or you don't fit in that culture. This culture has seen employees giving their best in terms of time and energy which has seen the company record good performance.

**Adoption of Strategic Management Practices**

The study sought to find out the strategic management practices that the bank has adopted in its strategic planning initiatives. The results are presented in the table 3 below.

Table 3: Strategic Management Practices

| | Mean | Std. Dev. |
|---|---|---|
| Doing self-assessment during strategy formulation | 4.18 | 0.69 |
| Evaluating Competition and industry analysis (competitor analysis) | 4.18 | 0.73 |
| Allocation of resources to implement the strategies | 3.97 | 0.79 |
| Assigning responsibilities to specific individuals | 4.05 | 0.87 |
| Evaluating progress of the set strategies | 3.95 | 0.96 |

By definition, the mean is the average of the numbers and the standard deviation is the measure of how spread out those numbers is or how much variation or dispersion from the average exists. A low standard deviation indicates that the data points tend to be very close to the mean (also called expected value); a high standard deviation indicates that the data points are spread out over a large range of values (Woolf, Keating, Michael, & Burge, 2004). In this research, a mean of 4 would therefore indicate that that particular observation happens to a great extent and similarly a mean of 2 would indicate that the observation happens to a low extent.

The information tabulated in Table 3 shows the findings on the strategic management practices adopted by Equity Bank and the extent to which they affect performance. According to the findings, the bank's self-assessment when doing strategy formulation affects performance to a great extent (M=4.18), evaluation of competition and industry analysis to great extent (M=4.18), allocation of resources to implement the strategies to a great extent (M=3.97) and assigning of responsibilities to specific individuals to a great extent (M=4.05). The findings shows further that the bank's evaluation of progress of the set strategies affects performance to a great extent (M=3.95).

These findings are well supported by the documented investors' briefings during performance report releases which indicate that the bank evaluates itself in terms of where it is versus where it would want to go as well as evaluating the external environment where it operates from. In April 2014 during the release for quarter one results, the managing director talked about the economic political environment in which the bank operated in the first quarter (Mwangi, 2014). This is also captured in appendix ii that has the whole investors brief.

The observation on resource allocation and assigning responsibility to key individuals is also well supported by the researches done by other scholars. A research by Coates (2007) indicated that the branch managers are to a large extent the owners of the various strategic initiatives that the bank has come up with and that they are in charge of implementing them. The research also indicated that resources to implement the set strategies are also allocated in terms of the budget, the time, the knowledge and competency etc.(Coates, 2007). This supports the observation of allocation of resources which had a mean score of great extent.

### The Financial Performance of the Bank

The study researcher collected data on the financial performance of the Equity Bank over a period of 5 years from the year 2009 to the year 2013 from its annual published reports. The findings are as shown in Table 4 below.

Table 4: The Financial Performance of Equity Bank

| Year | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| Profitability after tax (Ksh Billions) | 4.23 | 7.13 | 9.77 | 10.99 | 12.64 |
| Profitability before tax (Ksh Billions) | 5.21 | 8.95 | 12.1 | 16.06 | 18.23 |
| Return on assets –ROA after tax | 4.20% | 4.99% | 5.52% | 5.10% | 5.31% |
| Return on assets –ROA before tax | 5.18% | 6.26% | 6.84% | 7.44% | 7.65% |
| Earnings per share (EPS) | 1.14 | 1.93 | 2.64 | 2.97 | 3.41 |
| Number of branches in Kenya | 111 | 120 | 131 | 148 | 159 |
| Number of customers in Kenya(Millions) | 4.3 | 5.9 | 7.15 | 7.8 | 8.4 |
| Profitability ranking in the Kenyan banking industry | 5 | 4 | 3 | 2 | 2 |

This main performance focus was on quantitative measures which can be expressed in financial terms or ratios like revenues, profits return on assets, earnings per share, annual growth rate as they are considered to be more useful to the practitioners and they are also more objective unlike measures like customer satisfaction that are subjective (Brush & Vanderwerf, 1992). Muriuki in her research on the relationship between strategic planning practices and performance of commercial banks in Kenya used similar performance measurements (Muriuki, 2010).

The table shows that the profitability of the bank has been increasing since the year 2009 to the year 2013. The profits were 4 billion in the year 2009 which steadily rose to 12 billion by the year 2013. The ROA has also risen from 4.205 in the year 2009 to 5.31% in the year 2013. Profitability ranking in Kenyan banks also shows great improvement from position 5 in the year 2009 to position 2 in the year 2013. The number of banked customers is also very high at 8.4m which places the bank as the leader in this parameter (CBK, 2013). The findings indicate that the bank is therefore having a good financial performance from the key areas identified from the previous scholars like Muriuki (2010).

## CONCLUSION

The study concludes that strategic planning culture is a major factor which has contributed to success of Equity bank. The adoption of strategic planning practices has made the bank to focus on long term planning as opposed to short term quick gains. The bank has not only been undertaking competitor analysis but has also being investing in a lot of self-strategy assessment and providing the requisite resources to support strategy development and execution. The findings indicate that the bank has a working culture and spirit which influences the employees to be committed to their jobs. There is also an innovative culture in the bank, teamwork among staff, commitment towards customer service and a spirit of competition. According to Coates (2007) the staff members of Equity Bank treat their jobs like a calling to liberate the people of Africa and its either you fit or you don't fit in that culture. This culture has seen employees giving their best in terms of time and energy which has seen the company record good performance. The study found out that Equity Bank is a high performance zone where employees who do not perform weed themselves out.

There are other norms and cultures which has contributed to performance of Equity Bank such as inclusive business management for all the staff, inclusive sales culture/customer centric drive, direct contact between the senior staff and the business teams, performance based reward system, organization culture that supports its strategy, spirit of competition among others. The findings show that the performance in the bank has been good and promising over the years. The study found that innovation and technology has contributed to better the performance to a very great extent. The services and product quality the bank produces are satisfactory to the customers and the bank has done well in ensuring geographical presence in most parts of the country and markets. The bank has also done very well in strengthening the organizational culture of the bank. The ability of the bank and willingness to customize service and product solutions has also been of great help to the bank in improving its performance.

## FURTHER RESEARCH

As a way forward from this study, further research could focus on other factors that promote organizational performance other than organizational culture. In such further studies, organizational culture and the results for this study could serve as control variables and therefore make it possible to establish the degree to which different factors affect performance in organizations.

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