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Functional Strategies and Performance: Empirical Evidence from Commercial Banks in Nakuru County in Kenya

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ABSTRACT: *Business environment is characterized by high turbulence in organizational performance. Functional strategies play a role as banks aim at customer retention, increased profits, increased sale volumes, efficiency and increased market share. The research established the effect of operational, marketing, finance and human resource management strategies on organizational performance. The study used descriptive research design with a target population of 205. Questionnaire was used to collect primary data which was analyzed using descriptive and inferential statistics with the help of Statistical Package for Social Sciences software. Findings indicated that operational, marketing, finance and human resource management strategies affected the organizational performance. The correlation between the operational strategies and marketing together with human resource management strategies was negative and insignificant. The correlation between operational and finance strategies was positive and insignificant. Operational, finance, marketing and human resource strategies were not significant to organizational performance. It is recommended that functional strategies be improved.*
KEY WORDS: organizational performance, strategies, commercial banks

INTRODUCTION

The main point of organizational development leading to organizational performance is when most of the organizational development efforts are geared towards increasing organizational learning, with an intention of affecting organizational performance (Raduan, Naresh and Ong, 2009). Rizov and Croucher (2009) operationalized organizational performance in terms of quality of services, productivity levels and innovation rate and found out that they were related to higher organizational performance. Organizational performance should be improved for efficient organization programmes (Lopez-Nicolas and Merono-Cerdan, 2011). Performance continually is the emphasis of most organizations since there is growth and advancement of organizations only via performance (Gavrea, Ilies and Stegerean, 2011). Return of investment, sales margins, satisfied customers and quality of products appraises organization performance (Greene 2011). Organization performance can also measure return on investment, growth in sales, market and profits (Greene 2011).Organizational performance could be achieved through appropriate coordination of duties increasing the efficacy and usefulness of the organization's performance (Theodosiou, Kehagias and Katsikea, 2012). Hassan, Qureshi, Sharif and Mukhtar (2013) argue that for superior organizational performance to be realized, organizations need to align themselves to the changing business environment. There are still issues with performance of banks since most banks have not maintained or enhanced their performance in the recent past (Otieno and Moronge, 2014). The potential achievement of businesses is dependent on organizational performance meaning its capability in efficiently implementing strategies in the achievement institutional goals (Almatrooshi, Singh and Farouk (2016). Maher and Andersson (1999) argue that organization's performance outcomes results from the successes in market and basic variations occurring in a period of time. Organizational performance is a major concern to different category of people in (Yusha'u and Yahaya, 2018). It is the result of obtaining the internal and external organizational goals. The authors argue that apart from the managers and owners of the organizations, other people invest so that they can get return on their investment and thus need information about organizational performance for the achievement of investment decisions. The scholars further argue that the shareholders' decisions might be based on the past performance of the organization and its position from which they try to predict its future performance. According to Ranasinghe and Mallika (2018) to achieve greater organizational performance, there is need for adoption of strategic positions that will steadfastly give organizations the power in maintenance of market share. The authors argue that managers need to focus their attention on structuring their organizational strategies to focus on customers, retain customers and increased sales volumes. The scholars further argue that quality of services and products, satisfied customers, performance of markets, performance of employees and service innovations are some of the factors evaluating organization performance. Achievement of organizational performance is an issue to organizations and depends mostly on how organizations adapt to variations in the external settings (Contu, 2020). This requires efficiency, satisfaction of both customers and employees, increased market share and profits. Most banks both locally and internationally have been grappling with the challenges since the current market conditions have been turbulent, competitive, reduced trade barriers, interest capping and deregulation in markets which has greatly affected their performance (Ndungu and Bosire, 2020). Nevertheless, there are still issues with performance of banks since most banks have not maintained or enhanced their performance in the recent past (Kiluva and Senaji, 2020).

Globally and locally, when organizations favourably align their internal environment strategies with the external environment, there is a likelihood of the functional strategies succeeding (Thompson and Strickland, 2003). The marketing managers are mandated to make decisions about awareness of products, strategies to be used in advertising and general interaction of the customers with the products and services available. Human resource managers are tasked to ensure that all decisions that relate to employees management, rewards, dogmas and other personnel issues of the organization are undertaken. Functional level strategies are developed to support both the business and corporate level strategies (Pearce and Robinson, 2007). They exemplify a collection of decisions in the numerous functional parts of an organization that usually supports the decisions of the business level strategies and are used for the realization of the objectives and strategies of a firm through the ideal maximization of all the resources (Mintzberg and Quinn, 2008). Functional level strategies are involved with the activities, methods and procedures used in the management of the specific functions or key activities within a business (Thompson, Gamble and Strickland, 2010). The finance managers are supposed to make decisions regarding the source of financial supplies and resource allocation of the organization among other accounting operations (Ngure, 2016). This study operationalized functional strategies as operational strategies, marketing strategies and finance strategies. Many commercial banks have been in need of remedy thus coming up with functional strategies to ensure they remain alive and boost their profits, sales volumes and retain customers. The functional level is the point where the firm’s value creation actions truly happen, in accordance to all the strategies and aims simplified and surged from the organizational and the business level.

OBJECTIVES

To establish the influence of operational strategy on organizational performance
To determine the influence of marketing strategy on organizational performance
To investigate the effect of finance strategy on organizational performance

LITERATURE REVIEW

Homburg, Artz and Wieseke (2012) did an assessment of organizational performance focusing on return on investment and sales growth and observed a strong, positive correlation between the variables. In the current study, organizational performance was operationalized as profits, sales volume, customer retention, efficiency and market share. Kunze, Boehm and Bruch (2013) studied organizational performance making use of views of financial circumstances of top managers, organizational growth, productivity, fluctuations and retention of employees in comparison to their direct competitors. A study by Nderi and Mwangi (2015) indicated that organizational performance of any enterprise is determined by a combination of owner’s skills, which range from financial skills, project management skills, leadership quality, marketing skills and human resources management. Suikki, Tromstedt and Haapasalo (2016) observed that in stormy business setting today which is typified by ambiguity and not able to envisage the future globally, organizational performance is extremely challenging and thus requires adoption of strategies to ensure sustainability. Marwa (2018) researched on the factors influencing Kenyan bank’s performance. Cost management system and financial technology influenced performance of the banks. Solanky, Okeke and Aduba (2019) argue that organizational development is the deliberate effort in growing the capacity of the organization successful performance. Uwase (2020) suggests that organization performance is constrained by factors within and without (exterior) the organization. Factors within an organization cause inability to conduct research thus lowering chances of innovation, difficulty in the recruitment of competent and skilled human resource. The factors lead to inadequate capital for growth, scarce sources of financing and limited entrepreneurial skills.

The impact of customer centric strategy on the commercial banks' profitability was researched by Gikuhe (2014). Findings showed that customer centric strategy enables organizations to meet the requirements of customers thus increasing satisfaction of customers and strengthening the organization in regard to growth and profits. A study by Amar and Pono (2014) evaluated operational strategy as cost, quality, delivery, innovation and differentiation on small and medium enterprises' performance in Indonesia and found both positive and negative significant effect on small and medium enterprises' performance. Kipngetich (2016) conducted research and operationalized operational strategy as cost, differentiation, quality, innovation, efficiency and customer responsiveness and found out that operational strategies significantly affected organizational performance of ailing firms in Kenya. Bosire and Owuor (2018) researched on the impact of operation strategies on performance. The findings revealed a positive relationship between operation strategies and performance. A study on operations strategy and firms' performance was carried out by Wandiga (2019). Results showed that operations strategy had positive significant effect. Kiloh, Magutu and Ongeri (2020) studied on operations strategies and competitiveness of cooperative sector in Kenya. The findings showed a positive correlation between organization competitiveness and operations strategy. Findings of the current study showed that operational strategy had a positive and insignificant effect on organizational performance of commercial banks in Nakuru County in Kenya.

The impacts of marketing strategies on Equity Bank performance were examined by Nguru, Ombui and Iravo (2016). Descriptive exploratory research design was adopted. Customers from two branches of Equity Bank in Westlands, Nairobi were targeted. The results indicated a positive relationship between customer management and customer satisfaction with performance. However, the current study focused on all the banks in Nakuru County. Ishola, Adedoyin, Adeoye and Dangana (2017) carried out research on the effect of marketing strategies and banks' performance and its impacts on Nigeria economy. Management, employees and customers of the banks were the respondents. Five hundred (500) questionnaires were given out to the sampled population. Results of the analysis showed that the marketing strategies were not significantly different. The current study focused on banking industry in Kenya and marketing strategies were conceptualized in terms of price promotion and distribution network. Ogohi (2018) carried out a study on the effects of marketing strategies on organizational performance in Kaduna in Nigeria. Deduction from existing literature enabled a construction of a conceptual model that explains overall firm performance. Results showed that promotion, pricing, distribution, product standardization and adaptation have an impact on sales, customer and financial performance of firms. The study findings indicated that the impact is mediated by marketing strategy implementation success. The findings of the current study showed that marketing strategy was positive and insignificant. Gateka (2019) carried out research on the impact of marketing strategies on sales performance of the banks in Bujumbura in Burundi. Three hundred and thirty seven (337) respondents were targeted while 183 respondents were sampled. Questionnaire was used and key informants were interviewed. Descriptive and inferential statistics including manual coding of transcripts were used in analysis of quantitative and qualitative data. Product and price as marketing strategies insignificantly affected sales performance while promotion and place significantly affected sales performance. However, the focus of the current research was on the organizational performance not on sales performance. Findings of the current study showed that marketing strategy had a positive and insignificant effect on organizational performance of commercial banks in Nakuru County in Kenya.

Sohrabi and Zenab (2016) evaluated the effect of financial strategies on docile of the profitability of listed companies on Tehran Stock Exchange in Iran. Multivariate regression model was used based on panel data in accordance with quintiles regression method. The results showed a positive and significant impact of financing strategies on investment in the top docile of return on assets on profitability and dividends on the bottom docile of return on assets on company's financial performance. Findings showed that the strategy of working capital have no significant effect on the financial performance. The findings of the current study showed that finance strategy was positive and insignificant. The influence of working capital on performance of service firms listed at the NSE was studied by Kanji (2017) using descriptive research design. Data for a 5-year period was collected for 24 service firms. Capital markets authority, central bank of Kenya and the websites of the firms under study were the sources of data. The data was analyzed annually and multiple regression, correlation and descriptive analysis were used. A weak positive correlation was found between net working capital ratio and return on assets. The current study focused on organizational performance and not returns on asset. A research to establish the influence of dividend policy on banks performance was carried out by Korir (2018). The researcher used descriptive research design and a census. Capital Markets Authority and the websites of the listed commercial banks were the sources of data due to availability. Five year period (2013 – 2017) data was obtained. The study's results revealed that dividend policy impacted on the performance of the banks. The study focused on financial performance while the current study's focus was organizational performance. Omopariola and Windapo (2019) examined the financial management strategies used by construction organizations. The study used a systematic review of extant literature and employed a quantitative research approach. A survey of construction companies listed in Grade 7 to 9 on the Construction Industry Development Board was carried out. Analysis was done using the mean score, regression analysis, and Z-test. Results showed that financial management strategies used had a positive effect on organization performance. Findings of the current study showed that financial strategy had a positive and insignificant effect on organizational performance of commercial banks in Nakuru County in Kenya.

METHODOLOGY

Descriptive research design was used to address what, where, when and how concerns related to the study as pointed out by Zikmund (2003). The aim was to correctly and analytically describe a circumstance, population or incident as argued by Mugenda (2008). The design was suitable for the current research because the research aims at identifying the trends and categories of the functional strategies in the commercial banks. The target Population was comprised 41 branch managers, 41 operational managers, 41 marketing managers, 41 chief accounting officers and the 41 human resource managers of the licensed commercial banks in Nakuru County in Kenya. The respondents had accumulated experience in reference to their role in functional strategies. The study used a census hence the sample size was 205 respondents. Data was collected using closed and open ended questionnaire. Piloting helps to amend any difficulties with the instrumentation in the data collection methods (Creswell, 2014). The author argues that respondents involved in the pilot study are persons in the population, with traits similar to the actual persons involved in the research.

The pilot study was carried out in one commercial bank located outside the study area. Face validity was established by the researchers by ensuring that the questions in the questionnaire were correct. Construct validity show how well a concept is translated or transformed (operationalized) (Cook and Beckman, 2006). Construct validity was determined by operationalizing the study variables. The understanding of construct validity was made possible through theories used. Kothari (2008) defines content validity as the extent to which a data collection tool sufficiently contains the objectives of the research. In determination of the content validity, adjustments or additions were made in the questionnaire. Reliability is the extent of internal consistency demonstrated by a research tool on repeat trials (Kothari, 2008). It makes sure that a research tool is able to determine the internal consistency (Chakrabartty, 2013). According to Kothari (2008) values of 0.8-0.9 indicates high reliability while values of 0.6-0.8 show acceptable reliability. Cronbach's alpha is mostly used whose computation in the current research was done using statistical package for social sciences. The value obtained was 0.712 and therefore the research instrument was reliable. Both descriptive and inferential statistics were used to analyze data with the aid of Statistical Package for Social Sciences. Regression model $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \mathcal{E}$ was used
Where, Y = Performance of commercial banks, β_0 = y intercept/constant, $\beta_1 \ldots \beta_4$ = regression coefficients, $X_1 \ldots X_4$ = Specific functional strategies and $\mathcal{E}$ = error term. Respondents' consent was obtained before administering the questionnaires. Anonymity and confidentiality was observed throughout the study. Authorization was granted by Kenyatta University and National Commission for Science, Technology and Innovation.

RESULTS AND DISCUSSION

The results of the study and their discussion are presented below

Table 1: Reliability Statistics

Item	Cronbach's Alpha	No of items
Operation Strategy	0.605	6
Marketing strategy	0.691	5
Finance strategy	0.612	6
HRM strategy	0.810	5
Organizational performance	0.844	5
Average	0.712	5

Source; Survey data (2021)

As shown above, operation strategies had a coefficient of 0.605, marketing strategies, 0.691, finance strategies, 0.612, human resource management strategies, 0.810 and organizational performance, a coefficient of 0.844. The coefficients ranged from 0.605 to 0.844 and thus the data collection tool was reliable. According to Kothari (2008) values of 0.8-0.9 indicates high reliability while values of 0.6-0.8 indicates acceptable reliability which shows that the research instrument was reliable.

Table 2: Operational Strategy and Organizational Performance

Operational Strategies	Frequency and Percentages					Mean	SD
	SD	**D**	**N**	**A**	**SA**		
Offering quality products by the bank is a strategy that has ensured growth of the bank	4 2.2%	28 15.6%	31 17.3%	39 21.8%	77 43.0%	3.88	1.19
Innovation has helped in creation of specific products for specific customers	2 1.1%	26 14.5%	29 16.2%	51 28.5%	71 39.7%	3.92	1.11
Through innovation, a niche in the market has been identified		15 8.4%	24 13.4%	44 24.6%	96 53.6%	4.23	0.98
The customer responsiveness used ensures that customers are satisfied		11 6.1%	0 0%	6 16.2%	79 44.1%	4.16	0.91
Customer responsiveness strategy has created trust hence retained customers		7 3.9%	27 15.1%	55 30.7%	90 50.3%	4.27	0.86
Operational strategy determines organizational performance		7 3.9%	12 6.7%	79 44.1%	81 45.3%	4.31	0.76
Aggregate Mean						**4.18**	**0.97**

Source; Survey data (2021)

The highest frequencies and percentages show that the respondents strongly agreed that quality products determines growth [77 (43.0%)]. Innovation enables a bank to create specific products for specific customers [71 (39.7%)]. Innovation leads to identification of a niche market [96 (53.0%)]. Customer responsiveness leads to customer satisfaction, creates trust hence retained customers [79 (44.1% and 90 (50.3 % respectively).

Quality products of a bank lead to its growth (mean of 3.88) which varied slightly (standard deviation of 1.19). With innovation a bank creates specific products for specific customers (mean of 3.92) with little variation (standard deviation of 1.11). Through innovation, a bank identifies a niche market (mean of 4.23) though with a low variation (standard deviation of 0.98). Customer responsiveness leads to customer satisfaction, creates trust hence retained customers (means of 4.16 and 4.27) but low standard deviations of 0.86 and 0.76) respectively. Operational strategy determines organizational performance (mean of 4.31 and aggregate mean of 4.18). The performance didn't vary much (standard deviation of 0.76 and 0.97).

Operations strategy greatly contributes to the performance of organizations achievable via series of happenings that are arranged in a logical flow right from the way they are acquired to resource configuration, development of capabilities, building of the proficiencies which lead to performance that is superior compared to other organizations (Xiang, 2014). The organizations' actions and strategic decisions are incorporated in the operations strategy which is important in shaping the long-term abilities of the operations and functions towards the entire strategy via reconciling the market requirements with operational resources (Slack, 2015). The literature supports the results of the current study that operational strategy affects organizational performance of the commercial banks.

Table 3: Marketing Strategy and Organizational Performance

Marketing Strategies	Frequency and Percentages					Mean	SD
	SD	**D**	**N**	**A**	**SA**		
Bank uses pricing strategy to increase profits	0 0%	31 17.3%	41 22.9%	60 33.5%	47 26.3%	3.69	1.05
Pricing strategy is used to increase sales volume		31 17.3%	30 16.8%	82 45.8%	36 20.1%	3.69	0.98
Promotion strategy is used to increase profits		8 4.5%	14 7.8%	91 50.8%	66 36.9%	4.20	0.77
Bank's distribution networks influence its market share		22 12.3%	33 18.4%	59 33.0%	65 36.3%	3.82	0.10
Marketing strategy plays a role in organizational performance of the bank		34 19.0	38 21.2%	65 36.3%	42 23.5%	3.64	1.05
Aggregate Mean						**3.81**	**0.79**

Source; Survey data (2021)

The highest frequencies and percentages show that the respondents agreed that the bank uses pricing strategy to increase profits [60 (33.5%)] and sales [60 (45.8%)]. Promotion strategy is used to increase profits [91 (50.8%)]. Banks distribution networks influence its market share [65 (36.3%)]. Market strategy affects organizational performance [65 (36.3%)].

Bank uses pricing strategy to increase profits (mean of 3.69) which in turn varied slightly (standard deviation of 1.05). Pricing strategy is used to increase sales volume (mean of 3.69) but its variation was low (standard deviation of 0.98). Promotion strategy is used to increase profits (mean of 4.20) but variation in profits was low (standard deviation of 0.77). Bank's distribution networks influence its market share (mean of 3.82).However, variation in market share was very low (standard deviation of 0.10). Marketing strategy plays a role in organizational performance of the bank (mean of 3.64 and aggregate mean of 3.81). The performance varied slightly (standard deviation of 1.05 and 0.79).

The findings of the current research are supported by several authors. Executing proper and effective marketing strategies is needed to guide the distribution of the resources in instances where marketing strategy is used to pursue anticipated goals and aims (Farris, Neil, Phillip and Reibstein, 2010). Owomoyela, Oyeniyi and Ola (2013) argue that the marketing strategy helps in creating, building, defending and maintaining competitive advantage of organizations. Excellent organizations are known by their capability in the execution of the selected alternatives of marketing strategy decision and their well-envisioned marketing strategy that outlines the where, when and how. Hillebrand, Driessen and Koll (2015) found out that organizations undertake marketing strategies that contribute greatly to the wealth maximization of the stakeholders which in turn leads to customer's choice of service. Sanclemente-Tellez (2017) suggests that businesses exist to deliver products to the markets to an extent that they serve this purpose efficiently through profit maximization. Understanding the requirements and wants of the consumer is essential if marketing is to succeed, like the significance of competition in influencing the success of the business enterprise of an organization (Prinka and Pankaj, 2019).

Table 4: Financial Strategy and Organizational Performance

Financial Strategies	Frequency and Percentages					Mean	SD
	SD	**D**	**N**	**A**	**SA**		
Dividends paid to the shareholders leads to customer retention	0 0%	18 10.1%	25 14.0%	65 36.3%	71 39.7%	3.96	1.20
Payment of dividends to shareholders enhances bank's market share		7 3.9%	67 37.4%	85 47.5%	20 11.2%	3.66	0.73
Capital structure in the bank increases sales volume	18 10.1%	39 21.8%	22 12.3%	54 30.2%	46 25.7%	3.40	1.34
Management of the bank has a lot of interest in the capital structure since it affects profits			20 11.2%	79 44.1%	80 44.7%	4.33	0.67
Bank has a working capital which affects efficiency		7 3.9%	68 38.0%	68 38.0%	36 20.1%	3.74	0.82
Finance strategy plays a role in organizational performance		47 26.3%	21 11.7%	66 36.9%	45 25.1%	3.61	1.13
Aggregate Mean						**3.78**	**0.98**

Source; Survey data (2021)

The highest frequencies and percentages indicated that the respondents strongly agreed that dividends paid to the shareholders leads to customer retention [71 (39.7%)]. Respondents agreed that payment of dividends to shareholders enhances bank's market share and that capital structure in the bank increases sales volume [85 (47.5%)] and [54 (30.2%)] respectively). Management of the bank has a lot of interest in the capital structure since it affects profits [80 (44.7%)]. Bank has a working capital which affects efficiency [68 (38.0%)] while finance strategy plays a role in organizational performance [66 (36.9%)]

Dividends paid to the shareholders leads to customer retention (mean of 3.96) but a slight variation in the retention (standard deviation of 1.20) while payment of dividends to shareholders enhances bank's market share (mean of 3.66) whose variation was low (standard deviation of 0.73). Capital structure in the bank increases sales volume (mean of 3.40) and leads to some variation (standard deviation of 1.34). Management of the bank has a lot of interest in the capital structure since it affects profits (mean of 4.33) but a low variation in the profits (standard deviation of 0.67). Bank has a working capital which affects efficiency (mean of 3.74) but a low variation (standard deviation of 0.82). Finance strategy plays a role in organizational performance (mean of 3.61 and aggregate mean of 3.78). The performance varied slightly (standard deviation of 1.13 and 0.98).

Jusoh and Parnell (2011) contend that the financial strategies are the basis of competitive advantage and high organizational performance which commercial banks need to attain. Rosli (2012) argues that the main factor that gives an organization competitive advantage over others is its effective and proficient conversion of resources and abilities that are available. Effective financial strategies indicate that there is achievement of goals, survival, security, competitiveness and maximization of the value of the stakeholders in an organization (Momanyi, 2018) as evidenced by the results of this study.

Table 5: Organizational Performance

Organizational performance	Frequency and Percentages					Mean	SD
	SD	**D**	**N**	**A**	**SA**		
Profits determines the level of organizational performance	3 1.7%	8 4.5%	43 24.0%	95 53.1%	30 16.8%	3.79	0.83
Bank's performance is due to sales volumes	0 0%	10 5.6%	16 8.9%	72 40.2%	81 45.3%	4.25	0.84
Customers have been retained therefore improvement on organizational performance	9 5.0%	5 2.8%	16 8.9%	73 40.8%	76 42.5%	4.13	1.03
Efficiency enhances organizational performance	1 0.6%	13 7.3%	41 22.9%	106 59.2%	18 10.1%	3.71	0.77
Improved organizational performance is due to increased market share	1 0.6%	21 11.7%	38 21.2%	65 36.3%	54 30.2%	3.84	1.01
Aggregate Mean						**3.94**	**0.90**

Source; Survey data (2021)

The highest percentage show that respondents agreed that profits determines the level of organizational performance [95 (53.1%)]. Respondents strongly agreed that bank's performance is due to sales volumes [81 (45.3%)] and that customers have been retained therefore improvement on organizational performance [76 (42.5%)]. Efficiency enhances organizational performance [106 (59.2%)]. Improved organizational performance is due to increased market share [65 (36.3%)]

Mean summaries showed that Profits determine the level of organizational performance (mean of 3.79) though performance didn't vary much (standard deviation of 0.83). Bank's performance is due to sales volumes (mean of 4.25) and a low variance (standard deviation of 0.84). Customers have been retained therefore improvement on organizational performance (mean of 4.13). There was little variance in performance (standard deviation of 1.03). Efficiency enhances organizational performance (mean of 3.71) though it had low variation (standard deviation of 0.77). Improved organizational performance is due to increased market share (mean of 3.84). The performance changed slightly (standard deviation of 1.01).

Achievement of successful performance in an organization is a factor of deliberate effort in growing the capacity of the organization through training (Nassazi, 2013). Ardjouman and Asma (2015) argue that having the right functional strategies in any organizations will in the long run result to improved performance of organization in form of sales volumes, profits and market share. Additionally, there are organizational outcomes like increased sales volumes, quality of production and efficiency in carrying out production which are important in organizational performance (Monirei, 2016). Osano and Languitone (2016) suggest that factors within an organization can bring about the inability to make enquiries thus lowering chances of innovation, inadequate capital for growth and scarce sources of financing. A research carried out by Noe, Hollenbeck, Gerhart and Wright (2017) showed that outcomes such as increased sales and profits are important in assessing the performance of organizations.

Table 6: Correlation Analysis for the Study Variables using SPSS version 25

		Operational strategy	Marketing strategy	Financial strategy	Human resource management strategy
Operational strategy	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	179			
Marketing strategy	Pearson Correlation	-0.032	1		
	Sig. (2-tailed)	0.673			
	N	179	179		
Financial strategy	Pearson Correlation	0.112	0.284**	1	
	Sig. (2-tailed)	0.135	0.000		
	N	179	179	179	
HRM strategy	Pearson Correlation	-0.311**	0.068	0.026	1
	Sig. (2-tailed)	0.000	0.364	0.726	
	N	179	179	179	179

Source; Survey data (2021)

Based on the results, operational strategy and marketing strategy have statistically insignificant linear relationship (r=-0.032, p<0.673) and the relationship direction is negative hence operational strategy and marketing strategy are negatively correlated. Operational strategy and financial strategy have statistically insignificant linear relationship (r=0.112, p<0.135) and the relationship is positive and thus operational strategy and financial strategy are positively correlated. Operational strategy and human resource strategy have statistically significant linear relationship (r=-0.311**, p<0.000) and the relationship is negative and thus operational strategy and HRM strategy are negatively correlated.

Odhiambo (2015) found a positive correlation between marketing strategy and performance which supports the findings of this research. Masoud, Babak, Mehrdad and Farshid (2015) found a positive correlation between finance strategy and performance contradicting the study results. Yensu, Yiadom and Awatey (2016) found out that financial management strategies used had a positive effect on organization performance. Ifeoma, Abata and Adebanjo (2021) found no significant effect of financial strategies on the financial performance.

Table 7: Analysis of coefficient of determination using SPSS version 25

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.543[a]	0.592	0.684	0.50570

Predictors: (Constant), HRM Strategy, Financial strategy, Marketing strategy, Operation strategy
Source; Survey data (2021)

According to the results in Table 8, R of 0.543 shows a positive effect of operational strategy, marketing strategy, finance strategy and human resource strategy on the organizational performance of commercial banks. The adjusted R-Square statistics of 0.684 implied that operational strategy, marketing strategy, finance strategy and human resource strategy explained 68.4% of variation in organizational performance of commercial banks while 31.6% of organizational performance is caused by other factors not factored in the present study.

Table 8: Analysis of variance on operational strategy using SPSS version 25

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.259	1	0.259	0.973	0.325[b]
	Residual	47.040	177	0.266		
	Total	47.299	178			

a. Predictors: (Constant), Operation strategy
Dependent Variable: Organizational performance
Source; Survey data (2021)

Analysis of Variance was carried out and a P value of 0.325 is more than 0.05. Therefore operational strategy was insignificant tested at 5% level of significance.

Table 9: Analysis of variance on marketing strategy using SPSS version 25

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.766	1	0.766	2.914	0.090[b]
	Residual	46.533	177	0.263		
	Total	47.299	178			

a. Predictors: (Constant), Marketing strategy
b. Dependent Variable: Organizational performance
Source; Survey data (2021)

The P value of 0.090 is more than 0.05 hence marketing strategy was insignificant tested at 5% level of significance.

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Table 10: Analysis of variance on financial strategy using SPSS version 25

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.247	1	0.247	0.928	0.337[b]
	Residual	47.052	177	0.266		
	Total	47.299	178			

a. Predictors: (Constant), Financial strategy
b. Dependent Variable: Organizational performance
Source; Survey data (2021)

Analysis of Variance was carried out and the results showed that a P value of 0.337 was obtained which is more than 0.05. This means finance strategy was insignificant tested at 5% level of significance.

Table 11: Analysis of Coefficients using SPSS version 25

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	4.111	0.583		7.046	0.000
Operational strategy	0.010	0.071	0.011	0.142	0.887
Marketing strategy	0.140	0.083	0.130	1.692	0.092
Financial strategy	0.034	0.067	0.039	0.507	0.613

Dependent Variable: Organizational Performance
Source; Survey data (2021)

Organizational performance of commercial banks = 4.111 + 0.010 (0.071) + 0.140 (0.083) + 0.034 (0.067) - 0.229 (0.089); Where; Organizational performance = Constant + Operational Strategy + Marketing Strategy + Financial Strategy. The constant being 4.111 while 0.010, 0.140 and 0.034 are the unstandardized coefficient for operational strategy, marketing strategy and financial strategy. The regression results indicated that financial strategy had the greatest beta coefficient of 0.034, followed by marketing strategy with a beta coefficient of 0.140, operational strategy with a beta coefficient of 0.010 and HRM strategy with a beta coefficient of -0.229. When financial strategy, marketing strategy and operational strategy have null value, organizational performance would be 4.111. A unit increase in financial strategy would result in 0.010 units increase in organizational performance; a unit increase in marketing strategy would result in 0.140 units increase in organizational performance; a unit increase in operational strategy would result in 0.034 units increase in organizational performance

IMPLICATION TO RESEARCH AND PRACTICE

Functional strategies are the pillars of organizational performance. Practical implication of the study is that it provides empirical evidence which is useful for policy and research. The study findings provide insights into variables like sales, customer satisfaction, efficiency, finance, marketing and operations.

CONCLUSION

Operational strategies, marketing strategies, finance strategies and human strategies are critical functional strategies which affected organizational performance of commercial banks. They strategies lead to improved profits, increased sales volume, customer retention, efficiency and increased market share. However, the study findings showed that the operational strategies, marketing strategies, finance strategies were insignificant when tested at 5% level of significance. Operational strategies need to be enhanced in commercial banks since they lead to employee efficiency and effective resource management. Marketing strategies help in branding of the commercial banks and understanding clientele and thus important in improving performance. A well-planned financial strategy is able to take the banks to the next level giving them competitiveness over others and therefore they need to keep track of the finance strategies in place.

FUTURE RESEARCH

Operational, marketing, finance and human resource management strategies contributed to 68.4% variation in organizational performance. Variables not considered in the current study contributed to 31.6% hence further research can be carried out on the variables. The study was carried out in commercial banks and thus doing another research in other institutions to investigate if similar findings can be found is appropriate.

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