STRATEGIC FACTORS AFFECTING QUALITY SERVICE DELIVERY IN KENYA: A SURVEY OF COMMERCIAL BANKS IN UASIN GISHU COUNTY

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A RESEACH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (STRATEGIC MANAGEMENT OPTION)

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DECLARATION

Declaration by Student:

This research project report is my original work and has not been submitted to this or any other institution for award of any degree or diploma

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DEDICATION

I dedicate this work to my strength to my husband Meshack Rop, and my child Lowell J Rop my loving sisters Jane and Monica not forgetting my Mum.

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First, I'm grateful to God the Almighty for giving me good health and strength to go through stroll this very demanding study. I also take this opportunity to thank my Supervisor Dr Chumba, Dr. Otiso my HOD and all coursework lecturers without whose help, guidance and their dedication. This thesis would not have been successful.

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LIST OF ABBREVIATIONS & ACRONYMS

CBK: Central Bank of Kenya report

CGK: County Governments in Kenya

EBI: European Banking Institutions

HSD: Human service delivery

ICT: Information Communication Technology

LFI: local financial institutions

MIS: Management Information System

SPSS: Statistical Package for Social scientists

TQM: Total Quality Model

QSD: Quality service delivery

US: United Kingdom

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ABSTRACT

Service delivery in banking institution is usually influenced by a number of environmental aspects that require managers to formulate sustainable remedies. The competition found in the banking sectors makes quality service delivery as a complex endeavor. Inadequate management of strategic factors as reported by the banking authority in has led to several banking institutions in the country experiencing a decline in profitability about 6% of them have closed down their operations. The aim of this project was to establish the strategic factors affecting quality service delivery : a survey of commercial bank branches in Kenya. The research objectives were as follows: to establish the effect of digital banking on quality service delivery: a survey of commercial bank branches in Kenya, to determine the effect of staff competency on quality service delivery: a survey of commercial bank branches in Kenya, to assess the effect of operational costs on quality service delivery: a survey of commercial bank branches in Kenya and to evaluate the effect of government banking policies and regulations on quality service delivery: a survey of commercial bank branches in Kenya. The research was guided by the new public management theory, Total Quality Model (TQM). The research did employ a descriptive and correlational research design where registered commercial banks found in Uasin Gishu did provide the target population. These included 104 managers of selected commercial banks. Primary data was used and was analyzed using descriptive and inferential statistics. Digital banking and quality service delivery have a positive significant close relationship, $r=0.653$. The $t=0.649$, $p<0.05$, show there is significant relationship between digital baking and quality service delivery. A positive close relationship was found between staff competency and quality service delivery, $r=0.607$. The $t=5.644$, $p<0.05$, shows that there is significant relationship between staff competency and quality service delivery. A positive close relationship exists between operational costs and quality service delivery, $r=0.615$. The $t=1.752$, $p<0.05$, shows that there is also a relationship between operational costs and quality service delivery. A positive relationship exists between government policies and regulations and quality service delivery, $r= 0.748$. The $t=0.941$, $p<0.05$, shows there is a relationship between operational costs and quality service delivery. The research concludes that strategic factors have a significant influence on quality of service delivered where as digital banking and staff competency are the most outstanding factors of the others in quality service delivery with other factors contributing to their measurability. Organizations providing service delivery need to conduct market surveys and researches to aid develop strategies managing dynamic strategic factors.

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Organizations are keen to ensure that quality of products and services becomes part of their service delivery. One of the industry that need to have quality as part of their service delivery is the banking sector, whereas, several of them employ several techniques to ensure quality service delivery (QSD) is achieved. This is to ensure that they remain competitive and satisfy their customers (Chesaina & Gitonga, 2019). Therefore, the term quality service delivery as defined by Liu and Hung (2020) refers to techniques or methods conducted continuously ensuring standards of products and services remain competitive and satisfy customers. Service delivery in banking institution is usually influenced by a number of environmental aspects that require managers to formulate sustainable remedies. Some of the environmental factors keep on recurring and therefore making managers to be proactively in addressing them, Managers use strategies to develop suitable procedures and systems that forecast the needs of the organizations (Thai, 2019).

Banking institutions in Europe focus on strategies of improving service delivery and ensure customers are satisfied. O'Neill and Palmer (2004) state that European Banking Institutions (EBI) has advanced technologies that enhance their quality of service delivery and competitiveness. In China, Liu & Hung (2020) state that quality service delivery as way of meeting the required targets or objectives. This ensures that Chinese banks develop strategic targets aimed at improving service delivery. Commercial banks in South Africa as cited by Ampah, & Ali (2019) have developed competitive methods that ensure continuous value addition. Kenya is more advanced in East Africa than their counterparts in providing quality service delivery to its customers. According to Gitonga

(2019), Kenyan commercial banks have implemented technologies in various branches which have reduced costs significantly and ensured quality service delivery.

The study was guided by two theories of human service delivery and Total quality management (TQM) model. The human service delivery focuses on methods and techniques of human contributing quality services while TQM proposes techniques, methods and practices that will ensure customers are satisfied. Both theories will be used in the study interactively to establish strategic factors management principles that would enhance quality service delivery in commercial banks. Commercial banks continue to employ quality aspects to manage strategic factors aimed at improving the service delivery in their operations.

1.1.1. Strategic Factors

Organizations are influenced by forces or factors within or outside the organizations that require managerial attention. These decisions are done continuously focusing on improving and maintaining quality of service being delivered (Olsson, Osman, Hellström & Vakulenko, 2021). Abdullah (2006) defines strategic factors as those forces that affect business operations that require managerial attention. According to the author these issues may have a lower or higher impact on the performance of the organizations. In banking industry, strategic factors do not differ from those of other sectors. Different authors have outlined strategic factors affecting organization performance and furthermore, methodology used to manage their effects on organization activities.

Liu and Hung (2020) and Tien *et al* (2021) outline examples of these strategic factors to include; competition in the industry, cultural factors, information age, legislations and quality issues. In financial banking sector, some of the strategic factors as reported by Naik *et.al*., (2010) states that strategic factors are dynamic which influence decision making of managers in organization. This then requires managers to formulate measures to curb dynamic changes in organizations. Therefore, it is imperative that managers formulate sustainable strategies to reduce the adverse effects of these issues and exploit emerging opportunities.

1.1.2. Quality Service Delivery

Quality as an aspect is primary in any organization performance, as claimed by Baron, Harris, and Hilton (2009) quality service delivery refers to compliance and maintaining a standard of performance that is acceptable to the recipients. Moreover, O'Neill and Palmer (2004) opine that quality service delivery represents the variance between customer expectations and the actual service or products that are delivered to them. On the other hand, Clews (2003) agrees that quality service delivery is a means that organizations are using to ensure that their customers remain satisfied of the services or products being offered to them. At the same time, Lewis and Booms (2018) define quality service delivery as metrics used to match products or services offered with the expectations of the customers. Abdullah (2006).agrees that quality service delivery in banking sector refers to methods used to meet the need of the customers.

The competition found in the banking sectors makes quality service delivery as a complex endeavor. According to Gitonga (2019), focus on output or outcomes by banking authorities' makes quality service delivery a primary decision to execute continuously. The author mentions that banking management require quality service delivery address the needs of their clients and make them sustain their competitiveness. While Liu and Hung (2020) describe quality service delivery dimensions to include; meeting targets, enhancing the customer levels of satisfaction, maintaining a market share, and avoid unnecessary costs. Van Thai (2019) agrees that banking officials need to develop suitable procedures, systems and strategies to address issues that affect their daily decision making process.

Dimensions of quality make its delivery as a rational decision that requires a mixture of decisions and engagements. Delon *et al.,* (2003) point that measuring quality is the best guide to provides means of providing it. Several authors have stated that quality is measured using different metrics including; cost, tangibility, reliability, consistency, relevancy, validity, timeliness, responsiveness, empathy, suitability and usefulness. These metrics are supported by Sedera and Gable (2004), who state that quality service delivery should strive on meeting the various dimensions that differ with the customers.

1.1.3. Strategic Factors and Quality Service Delivery

Several studies have sought to establish the association between strategic factors on quality service delivery. Khiaonarong and Goh (2020) mentions that strategic decisions within and beyond have influenced the way in which activities need to be delivered to the users. According to author state that strategic factors differ in the context of applicability, there are other factors that have the major effect than others. On the other hand, Ampah and Ali (2019) agrees that strategic forces within managerial grasps affect the procedures or operations that need to be provided to the relevant users. Therefore, according to these studies strategic factors affecting managers have the influence on the quality of services and products being offered to the customers.

In Africa, several strategic factors in banking institutions are in the radar of managerial decisions as compared to those in other continents Van Thai (2019) reports due to the evolving nature of the banking industry and changes in environmental factors many of these firms in Africa have to face numerous strategic factors affecting their service delivery. In South Africa, local banks report more strategic factors compared to foreign banks, this is reported by Khiaonarong and Goh (2020) states that Local Financial Institutions (LFI) in South Africa focus on response strategies to strategic factors thus lacking sustainable remedies differing completely from foreign financial banks that performing proactively. Service delivery among Egyptians banks is more advanced and therefore less strategic factors are reported. Major strategic factors affecting service delivery among African financial institutions include; changes in technology, customer demands, globalization, safety/security, increased legislations, labor turnover and increased cost of operations (Budding, Faber & Gradus, 2018). Other countries having their financial institutions affected by these strategic issues include; Nigeria, Zambia, Togo, Cameroon and Ghana Sedera and Gable (2004) observes that majority of Islamic financial banks are not dominantly affected by these strategic issues.

Regionally, strategic factors in East African financial institutions do not differ to those found in other parts in Africa (Ruesta & Benaglio, 2021). Commercial banks in Tanzania, Uganda, Rwanda, Ethiopia and Kenya are highly affected by changes in technology, increased legislations, changing staff competency and increased cost of productions. For example, Tanzania's and Rwanda's commercial banks as reported by Chesaina and Gitonga (2019 are facing competition from technology advanced financial institutions from Kenya. Several of these firms are taking the consideration that level of productivity is depended on management of factors that revolve around the banking sector proactively rather than reactively. Large numbers of banks in South Sudan had to close down as a result of operational costs, safety and unfulfilled customer expectations.

1.1.4. Commercial Banks Branches in Kenya

The contribution of the commercial banks to the Kenya economy cannot be ignored since independence. According to a report of Central Bank Report (2005), commercial banks have contributed to growth of economy by 12.2% since liberation of the economy by the government.

The last two decades as seen a tremendous development of financial institutions in the country. As reported by Omar and Kilika (2018) there have been a significant change in technology usage, customer satisfaction, customer safety and interbank linkages. Both foreign and local financial banks operating in Kenya are competing in to control and manage the market share. Similarly, commercial banks as observed by Chesaina and Gitonga (2019) have the same strategic factors affecting service delivery as those found in West and East Africa.

In Uasin Gishu County, a large number of commercial banks are found in Eldoret town. According to CBK (2021) and Department of business registration a total of 29 commercial banks have been licensed to conduct business. Strategic Factors affecting banking business globally and nationally are same as those affecting commercial banks found Uasin Gishu County. Inadequate managerial decisions on strategic Factors are observed to be detrimental on the performance of the commercial banks.

1.2. Statement of the Problem

Strategic factors are critical for quality service delivery (Ampah, & Ali, 2019). Empirical studies have also provided contradictory findings to explain the extent to which staff competency contributes to quality service delivery. Shimengah (2018) agrees that strategic leadership practices, which entail competency leadership, are a primary indicator in ensuring service delivery in County Governments in Kenya (CGK). This is supported by Feliciano, Boshra, Mejia, Feliciano, Maniago, Alsharyah, and Osman (2019), who agree that nurse competency is one of the factors that are used to rate the quality of health services in the Philippines. In a different opinion, Oyedokun, Oyewumi, Akanbi, and Laaro (2018) state that the quality of service delivery in the service industry, like in the library, is not dependent on the competency of the staff but rather the nature of the products or services being offered. Koehler (2018), Sofyani, Riyadh, and Fahlevi (2020) studies do not agree that compliance with legislation and regulations is a factor that would enhance the quality of service delivery. But Santa, MacDonald, and Ferrer (2019) agree that government regulations and legislation provide an opportunity for business owners to exploit to enhance the quality of their service delivery.

The banking industry is a complex service provision business that is directly impacted by environmental factors. Lyimo and Theobard (2022) state managers of financial institutions in Kenya are reported to have higher targets for enhancing their service delivery and ensuring customer satisfaction. Changes in environmental factors have resulted in several strategic factors that require managers to focus and plan for them effectively. Inadequate management of strategic factors as reported by the banking authority in (2019) has led to several banking institutions in the country experiencing a decline in profitability about 6% of them have closed down their operations. The related studies reviewed point to gaps and justify the need to conduct the study. These gaps in the studies and the need to conduct a study Therefore, there is a need for a study to be conducted that sought to establish the association effect between service delivery and strategic factors.

1.3. Purpose of the Study

The aim of this study was to establish the strategic factors affecting quality service delivery of commercial banks in Uasin Gishu County.

1.4. Objectives of the Study

1.4.1. Main Objectives

To establish the effects of strategic factors on quality service delivery of commercial banks in Uasin Gishu County

1.4.2. Specific Objectives

The study research objectives were as follows:

i. To establish the effect of digital banking on quality service delivery of commercial banks in Uasin Gishu County.
ii. To determine the effect of staff competency on quality service delivery of commercial banks in Uasin Gishu County.
iii. To assess the effect of operational costs on quality service delivery of commercial banks in Uasin Gishu County.
iv. To evaluate the effect of government banking policies and regulations on quality service delivery of commercial banks in Uasin Gishu County.

1.5. Hypotheses:

The following were the null hypotheses:

$Ho:_1$ There is no significant relationship between digital banking and quality service delivery of commercial banks in Uasin Gishu County.

$Ho:_{2:}$ There is no significant relationship between staff competency and quality service of commercial banks in Uasin Gishu County.

$Ho:_3$ There is no significant relationship between operational costs and quality service delivery of commercial banks in Uasin Gishu County

$Ho:_4$ There is no significant relationship between Government banking regulations and policies and quality service delivery of commercial banks in Uasin Gishu County.

1.6. Significance of the Study

The study is beneficial to stakeholders benefitting directly and indirectly. The management of financial institutions is to find the results of the study useful in developing policies addressing issues related to strategic factors and quality service delivery. This is because the organization environment is a dynamic component that requires changing policies that will not leave the organizations to be redundant or left out of business.

Employees are required to represent and meet the operative duties in the organization. Therefore, staffing procedures are necessary to be instituted to ensure that employee fit with their own needs. Therefore, banking managers will find the findings useful in developing procedures necessary to make valuable decisions to address strategic factors affecting commercial bank operations. This will enable the employees have the required tools, equipment and conditions that simplifies work.

Additionally, the findings will be viable to scholars and academicians seeking additional information to enrich their studies and additional knowledge. Organizations that offer service delivery face similar strategic factors that require researcher to provide them with updated scientific findings. The current study for the moment does provide such relevant information that other future researchers can continue by conducting their own. This provides empirical and theoretical data for future researchers identify research gaps to be filled by their studies.

1.7. Basic Assumptions

The study assumed that the instruments designed in the study did answer the study objectives. The development and design of the instruments would be fulfilling enough to the purpose of the study. Furthermore, the study respondents did consent to the study and provide positive responses that were valid and reliable to the study purpose. The nature, attitude and behavior of the employees might influence how the questions in the instruments might be responded too it might be negative or positive.

1.8. Limitations of the Study

The time allocated to conduct the entire study was found to be a limitation. The study did ensure that no time is wasted by following the research plan. Secondly, the study was affected by the red tapes that are found in baking institutions. Due to the delicate issues and practices in conducted in the commercial banks, the management has provided cautionary checks to ensure that data confidentiality and security is enhanced. But the researcher did ensure that the required protocols and authorizations are followed to the latter.

1.9. Delimitation of the Study

The study delimits itself with the association between strategic factors and quality service delivery among commercial banks in Uasin Gishu County. The strategic factors that affected business organizations are; government banking regulations and policies, operational costs, staff competency, digital banking, will form the study variables. The dependent variable to be measured was quality service delivery. The schedule of delivering the research project was 6 to 7 months.

1.10. Definition of terms used in the Study

Digital banking-it is the ability to adopt modern technology in banking operations. This entails the use of technologies such as; mobile banking, agency banking, internet banking or Automated Teller Machine. Digital technologies also involve the use of systems, applications and ICT that aid in operations and processes.

Government banking policies & legislations- these are legislations that are instituted to guide banking operations in the country. It entails banking and fiscal policies in the country that need to be complied with. They form regulations that organizations are required to comply or follow to ensure ethical or professional practices are followed.

Operational costs- these are raising associated with daily running of business activities. These costs include; overhead costs, office and maintenance costs. The operational costs are more linked to capital and revenue expenditures used to ensure that organizations achieve their goals and objectives.

Quality Service delivery- it is the ability to provide services that meet the needs of the customers. Measured on several criteria's that are felt by the customer e.g. tangibility. The quality service delivery is also linked with the satisfaction that the customer feels about the products or services being offered to them.

Staff competency-it is the knowledge, skills and attitudes that employees possess in running of the firms operations. It represents the ability, and capacity that employees have to perform tasks with the required specifications or requirements.

Strategic factors-Current or emerging forces or factors that managers need to make critical decisions over them on a daily basis. These strategic factors are commonly available in the planning table of the concerned persons or pointed firms.

1.10. Organization of the Study

The study chapter one represents the introduction of the study which is among the five chapters. Introduction section presents the definition of concepts and aims of the study. Also, outlines limitation, delimitation, basic assumptions and key terms in the study. Second chapter outlines the review of secondary data theories and empirical studies on the study concepts. Chapter three describes the process of collecting, and methods of data analysis. This is by outlining the design, target population, sampling frame, instruments and process of collecting data. Chapter four and five presenting data analyzed, findings summary, conclusion and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1.Introduction

This section present secondary sources of data on strategic factors and quality service delivery; it also presents empirical studies that point relationship between study variables. The study further pointed out the theoretical and conceptual framework guiding the study foundation and operationalization of variables respectively.

2.2. Theoretical Foundation

The New public management theory, Total Quality Model (TQM) did provide anchorage the study. The two models provided foundation on the two variables of the study (strategic issues and quality service delivery).

2.2.1. The theory of human service delivery

The theory of human of human service delivery compounded by Greene (2011) guided the study. The theory seeks to understand the systems that provide the environment in which the people work. This is because in organization it is difficult to quantify the value that people contribute in organizations. Woodside and McClam (2016) opine that theorists are focused on comprehending the serene environment suitable for offering qualified services. Professionals in human services manage the agencies which offer this kind of services. Wairiuko, Nyonje & Omulo (2018) states theorists of human service delivery put emphasis on motivation of the workforce through ideology. This provides them with guidelines and a broader mission and vision to be able to tackle a variety of limitations and justifications to individual personalized work. Furthermore, the theory states that (Human service delivery HSD) has also been affected by legislation and policy development.

The study is relevant in explaining the contribution of employees in the quality service delivery. Commercial banks focus on improving their systems by addressing the training needs of their employees. Woodside and McClam (2016) state that understanding how the people are working is essential in ensuring quality of service delivered. This is because Greene (2011) state that those in management need to provide appropriate environment and motivations to ensure that they deliver quality of services. The criticism of the theory is that it focused on human in service delivery ignoring other aspects of service delivery.

2.2.2. Total Quality Management Model.

The Total Quality Model (TQM) anchored this study is a contribution of Kanji's (1998). According to the theory, quality in organization is viewed to consist of principles that serve the organization in general. This means that quality covers entire aspects or functions that are performed in any organizations or the products or services being provided to the required audiences. Furthermore, total quality model covers every employee at different levels of management. The principles of TQM concurs with the findings by Lazibat, Sutic and Jurcevic (2009) who describe that TQM is a means of providing answers to the needs or expectations of the customers. Kanji's (1998) model purports that quality delivery needs to be felt by all stakeholders, and require continuous decisions that are relevant to the changes in the environment. Safakli and San (2007) opine that TQM is based on different dimensions that focus on customer needs.

The banking industry are particular in ensuring quality is planned, implemented and maintained. This statement is supported by Stensaker (2007) who opines that TQM is one of the decision making element that managerial units factor them in their planning process. Clayton (1993) agrees that TQM in banking sector covers all the operations that are aimed at meeting the needs of the customers. Studies by Lazibat, Sutic and Jurcevic (2009) and Safakli and San (2007) both agree that quality requires that the principle of commitment and involvement of process owners need to be engaged in the process of delivering quality. Furthermore, they need to conduct ways that ensure quality of services are improved including; involvement of everyone, benchmarking, strong customer focus, good practices, elimination of non-value activities, and harmonization of processes.

The TQM is suitable in this study in describing the aspects are some of the strategic issues that managers of the commercial banks need to embrace to ensure that they offer effective service delivery to their customers. TQM offers organization opportunity as cited by Khiaonarong and Goh (2020) to change its practices to reflect the dynamic changes in the environment. This changing reflects strategic planning of the factors emanating from the environment. Organizations are required to work towards the dimensions provided by the TQM. The limitation of the theory, as reported by George and Zakkariya (2018) is that TQM depends on the process owners and therefore may lack the practicability or action if not executed in organizations.

2.3. Empirical Studies on Strategies Factors and Quality service delivery

This part relooks at several scientific studies that explain the association between strategic factors and quality service delivery. The reviews identify the four variables of digital banking, evolving staff competency, operations costs and tougher legislations influence service delivery in organizations. The review enabled the study to establish and fulfill the gaps from the various empirical studies reviewed.

2.3.1. Digital Banking and Quality Service Delivery

Several studies have sought to establish the association between digital baking and quality service delivery. Digital baking involves embracing suitable electronic technology that is used by the users to obtain convenient and reliable services. According to Ruesta and Benaglio (2021), business organizations are faced with evolving new technologies, systems and applications that compel to be part of the operations. Lack of consideration of changes in technology is suicidal to the performance of the organization.

In Germany, application of digital technologies in public sector financial functions cannot be ignored in providing services that meets its citizens. Grossman, Platas & Rodden (2018) did a study to establish the use of digital technology in financial functions performance of its various public ministries or departments. This study found that digital financial technologies were appropriate in eliminating wastages and increasing the credibility of the service to the customers. According to the interviewed Germany public officials, the revenues and fewer customer complaints have reduced significantly after the digitalization of the public financial processes. This has been helpful in making the public banking sector in Germany to be responsive to new strategic factors. The development of the digital technologies has formed part of the control mechanisms in these firms. The gap in this study is that it did not link the mentioned strategic factors with quality service delivery and furthermore the study was conducted in public sector.

Strategic factors in banking industry in Asia are rather differing to those found in Europe and other parts of the world. In China emergence of new technologies has been a dominant strategic factor affecting delivery of services in financial institutions. It is observed by Liu and Hung (2020) that 65% of China banks are concerned with evolving changes of technology than any other aspect this is because it is directly linked with increase in the level of outputs. On the same line, Japanese financial institutions are more concerned with changes in technology in business. Therefore, the management of these firms instituted a research, innovative and development team that needed to look for new technological practices that would be implemented.

A link between technology and operational practices exists in organization. Ruesta and Benaglio (2021) state that several of operations in these institutions are highly depended on changes that occur in technology. Where competition among the Japanese banking institutions in respect to technology is high compared to other strategic factors. India and Pakistan have a different outlook from their Asian Counterparts this is because their strategic factors among financial institutions affecting quality of services is meeting customers' demands. Asian view on the relation between adopting digitalization and improving quality of services differ across countries. The methodological gap exists in this study where a different research design and study location was used.

In understanding the role technology in business organization, Poushneh and Vasquez-Parraga (2018) conducted a descriptive study that sought to find how service delivery in technological fields is influenced by the readiness and participation of the customers. They were able to establish that service delivery without technology is impossible. This means that without adoption of technology any organization will not effectively provide in form of service to its customers. The authors further state that technology availability in various processes enables the customer to participate in various services offered to them regarded as self-service. The study therefore recommended that technology be part of the processes that enhance service delivery in organizations.

Other studies have shown the need to adopt latest technology as part of the service delivery, for example a survey study on hospitality customers in China conducted by Chi, Denton and Gursoy (2020) on how service delivery is influenced by artificial intelligent devices developed. This is one of the recent studies in technology that advocate how AI adoption has become a primary component in delivery of services and products to the customers. The study found that customers are motivated to use new technologies that are more efficient and reliable. Among the customers contacted by the study, it observed that 74.3% of these customers were comfortable in using any technology that is provided to them as long as it meets their satisfaction. The study further pointed that service delivery in the organization is improved and productivity increases concurrently. The gap in this study is that it focused on the role of service delivery not mentioning strategic factors.

A study by was Grossman, Platas and Rodden (2018) conducted among public servants in Spain titled the crowds sourcing accounting and use of ICT in service delivery. Established that new and evolving technology if not embraced by organization it would lead to crowding out effect of the services being offered. According to the study the more an organization delays to implement a recent technology the provisions of the service delays and every stakeholder directly or indirectly linked with it suffer. The study established that digitalization is a compulsory component that should found itself in the planning table. Therefore, the study recommends that new technology adoption should be part of strategic planning of the organizations.

Another study conducted in hotel service delivery by Liu and Hung (2020) sought to compare preference of using self-service technology between customers and hoteliers. The study was aimed at establishing the need to adopt a self-service machine and whether it would improve customer satisfaction and service delivery. Among the 254 customers and employees contacted in the survey the study did establish that 89.1% and 56.4% of the customers and employees preferred a self-service technology to be used in the hotel respectively. The finding showed that adoption of new technology in service provision is essential in increasing customer satisfaction and thus increase in productivity. Many of the respondents contacted stated that they are excited with the use of these technologies this is seen with the number of contacted of usage of the technologies. The gap in this study is that only one type of technology was linked with an aspect of customer satisfaction.

Other local studies were empirically conducted to establish the association between service delivery and technology in organizations. Bett and Bokonko (2017) survey study found that digitalization of technologies in banking sector have a positive significant relationship with profitability due to enhanced service delivery. While Ochieng and Njuguna (2018) found that ICT is a key ingredient in service delivery of public services especially in County levels. This was reflected in the study that was conducted in public departments within the Naivasha sub County. Therefore, both studies point the need to embrace technology in service delivery in organizations. The studies conducted by the local authors showed methodological and conceptualization gaps.

2.3.2. Staff Competency and Quality Service Delivery

A number of empirical studies have sought to explain the association between staff competency and quality service delivery. In Sweden, a survey was conducted among academic library staff by (Dube 2021). This study sought to establish the effect of staff technological skills on service delivery in libraries. Descriptive findings from the study found that employees with the technical ability to respond to customer queries or complaints contributed effectively to high quality service delivery. Therefore, staff responsiveness and technical skill becomes a key ingredient in enhancing service delivery and ensuring a better customer satisfaction. Skillful employees with the necessary technical knowhow perform their operations without any difficulty or errors. On the other hand a study by Salman, Ganie and Saleem (2020) found that employee competencies are an effective predictor of organization performance. Organization output over effort ratio is higher in cases where employees are skilled, knowledgeable and have the right attitude towards work. This was in reference to a case study conducted among public and private infrastructural sector employees in Koln, Germany.

A census study was conducted among Islamic Banks in Bangladesh by Iqbal, Nisha and Rashid (2018). Employees cultural flexibility predicts customer satisfaction was the study purpose, and hence a better service delivery. Regression model indicated that cultural flexibility predicts service delivery and this was tested further and found to be significant. According to the author employees with the ability to adapt to cultural diversity are able to serve the customers and there are fewer complaints. This has led to growth of the bank health performance and stability. This finding is similar to a study conducted by Anouze, Alamro and Awwad (2019) who found that customers are satisfied if services are offered without any form of discrimination or preference. Therefore, employees manifesting cultural flexibility contribute to service delivery in banks.

A qualitative study conducted by George and Zakkariya (2018) in South Africa, which was titled psychological empowerment and job satisfaction in the banking sector. The study selected 356 employees of different organization to respond to the objectives of the study. Found that if employees are provided with a very conducive environment for career growth and development this contributes significantly to customer satisfaction. Furthermore, the study states that employee growth is effective in enhancing service delivery in the banking sector. Human resource units need to develop development programmes to ensure growth among the employees and further ensure that conducive environment is also available for them to work.

Studies have sought to find the association between attitude and quality of the services in the organization. Wasan (2018) did a study which focused on customers in India seeking to establish how their discretionary behavior is influenced by experiences of the customers. The study found that employee technical capability is essential in ensuring good service delivery is being offered in banking sector. Between technical capability and service delivery there were significant strong correlative behaviors. This finding is similar to a study conducted Roy and Vishwanathan (2018) which found that technical capability of workers is a trend in banking sector where human resource need to tap effective workers who will propel the service delivery and operations to greater height.

2.3.3. Operational Costs and Quality Service Delivery

Business organizations are able to conduct their activities within a conducive productive environment. This conducive environment is explained by affordable means of producing in terms of inputs and infrastructures. Operation costs represent those recurrent expenditures that facilitate production to be undertaken. Every organization is centered on minimizing operation costs in order to maximize profitability. Banking institutions are concerned with minimization of operational costs to capitalize of profitability. Service delivery is imperatively enhanced among organizations that lower their operational costs.

Service delivery is affected by costs, Gradus, Schoute, and Budding (2021) did a study on local government situated in Dutch firms focusing on delivery of services. The study established that costs of doing business have continued to increase affecting the level of outputs. Large cost of production is a dynamic issue that many organization need to cope with or develop viable procedures that ensure that they are controlled or tackled. The concern authority has been prompted to look for sources of finances to fund the needs of the organization. According to the authors finances is an issue that affects operations of the institution, and therefore managers are tasked to look for sustainable solutions. Many organization suffer cash flow problems and unable to meet some of its operative functions or duties. According to the study, inadequate resources were found to be a shifting mode affecting service delivery.

Furthermore, Budding, Faber and Gradus (2018) did a documentary review to establish the financial consequences resulting from electronic-implementation. The appropriateness of using e-government on cost management of municipalities was the study aim. The study established that increasing costs of maintaining e-government has continued to affect service delivery among the municipalities. Large number of municipalities in Indonesia has implemented the e-platforms for payments and other transactions. The authors advocated on managers focusing on financial strategic that would deal with the issues affecting the municipalities. Ideally, implementation of the e-government system was expected to reduce the cost of operations which was not the case.

A similar study was conducted by Wolff, Kühl and Satzger (2018), a study with an objective was an investigation on how operational costs influence strategic service delivery in business organizations. The study was conducted in Koln Germany, where a few of operative managers of multinational managers participated in the study. According to the authors, cost of operations has a significant positive relationship with the service delivery offered in organizations. The study further notes that managers have the task of formulating strategies that address issues related with management of costs. The authors stated that economic conditions directly influence the activities in the organization.

A study was conducted by Mohamed *et al* (2019) which was a local study sampling commercial banks found in Kenya sought to establish how service drivers is influenced by outsourcing drivers which are part of information systems. The study selected managers of leading parastatals in the country. Found that operational losses are some of the issues that affect operations or activities of the organization. According to the author there are a number of information risks that directly affect service delivery among commercial banks in Kenya. These risks like illegal entry and hacking have led to losses and slow delivery of services to the customers. Therefore, the authors proposed an effective means of dealing with operational losses by making it a strategic issue that requires planning.

2.3.4. Government Regulations and Quality Service Delivery

The way business is conducted internationally, locally or regionally is depended on the legislative framework put in place. Wolff, Kühl and Satzger (2018) state that commercial banks are guided and regulated using bank regulations and policies to avoid unhealthy or non-professional practices. Banking performance is depended on the rules, laws and policies that regulate business operations. Several of these legislations were put in place to regulate the banking industry by ensuring that the customer was not exploited or faces losses. It is observed that the extent to which banking regulations are put in place the more the customer is satisfied, and protected of risks and uncertainties in banking sector.

In Europe, a large number of countries have updated their banking regulations to ensure they are relevant to the changing economic situations globally. A descriptive study by Ruesta and Benaglio (2021) showed that a large number of financial institutions in Europe have given priority in developing banking regulations that meet international standards. Large number of these regulations according to the authors addresses the aspects of micro-credit. These legislations have been effective in service delivery especially regulating number of losses or defaults emanating from credit provisions. Therefore, banking officials have the mandate to be up to date with changing banking regulations globally. Occasionally, banking officials meet to device procedures that ensure that regulations are followed or responded too.

One aspect in banking regulation that requires keen attention is pointed by Khiaonarong and Goh (2020). According to the authors aspects of banking payments and payments to customers require keen banking regulations to avoid theft or wrongly payments. Tougher legislations have been put in place to ensure the right persons are paid and they get the required services conveniently. Customer benefit from the regulations this is because these regulations safeguard their own interests or needs. Furthermore, the authors observed that changes in globalization and increased interbank networks have prompted banking authorities to initiate legislations that would curb losses, secure or improve processes. Additionally, banking authorities are expected to keep in touch with changing legislations that is across boundaries. Khiaonarong et al., (2020) further notes that expansion of multinational commercial banks have led to many of these banks formulating regulation that embrace dynamisms.

Legislations among commercial banks are viewed on the e-commerce platforms in which they transact. According to Kwilinski *et al* (2019) commercial banks have developed mechanisms to exploit e-commerce platforms. But due to complexity of the transactions taking place in these platforms it becomes necessary for the banking officials to develop and implement legislations that would regulate performance in these networks. The author stated that these legislations have been effective in reducing losses and improve service delivery outside electronic platforms. Another study seeking to describe the influence of financial regulations and service delivery was conducted by James (2018). The study observed that financial regulations are necessary in ensuring processes are put in place and service delivery is given the required priority. The author opines that organizations quality of service delivery is depended on the effectiveness of the regulations.

In Columbia, several legislations in the banking sector have been initiated to provide data information of their customers. This was according to Sánchez-Torres, Sandoval and Alzate (2018) study that was on factors of acceptance, trust and government support of e-banking in Columbia. The study established that banking management are more focused on ensuring the data of the customers are secure and the process of conducting business online is efficient and effective. The study observed that regulation of banking regulations is key in ensuring safety of the customers is in place.

Simlarly, Hall (2021) did a study and similarly found that regulations are essential in managing and providing remedies in a number of issues affecting the customers and banking authorities. The study was descriptive studies that were conducted in a few selected firms in United Kingdom. Secondary data of these firms were reviewed from various credible sources. According to the findings of the study, these UK firms are very particular in the nature and frequency in which regulations and policies are developed and used in their operations. Hall (2021) further describe that policies are used by the employees to ensure that standard quality of the services are delivered to the targeted customers. This is because developed regulations and policies aid in regulating the nature of behavior and attitude used to serve the customers.

2.4. Summary of Knowledge Gaps

These studies in the chapter reviewed represent local and global contexts related to the variables of the study. Gaps exist from the study reviewed, and these will be filled by the current study. The gaps identified from the studies are classified into methodological and conceptual gaps. Studies reviewed have pointed out methodological gaps in which the current study did seek to fill. A survey study was conducted by Chi, Denton, and Gursoy (2020) on artificially intelligent device use in service delivery. The findings provide relevancy in explaining quality service delivery. The difference is that descriptive survey design will be used. Other studies differing from the current study in the design used were those of Bett and Bogonko (2017) and Ochieng and Njuguna (2018). These studies used survey research designs and targeted employees, whereas the current studies will employ descriptive survey research designs and target branch managers of the commercial banks. Additionally, a cross-sectional study was conducted among Islamic banks in Bangladesh by Iqbal, Nisha, and Rashid (2018), which aimed to find out the extent to which employees' cultural flexibility, predicts customer satisfaction and hence better service delivery. This study differs in the design and method of collecting data and analysis. While the study used cross-sectional research design, collected data using interviews, and analyzed them qualitatively, the current study will use descriptive survey design, use a questionnaire to collect data, and analyze it using descriptive and inferential statistics.

Other related studies reviewed have also pointed out conceptual gaps in which the current study did seek to fill. Liu and Hung (2020) sought to compare preferences for using self-service technology between customers and hoteliers in service delivery. The context and the findings of the study are similar to the current study, but differ in how the variables of the study were conceptualized in the current study. Finally, a study conducted among public servants in Spain titled "The Crowdsourcing Accounting and Use of ICT in Quality Service Delivery" by Grossman, Platas, and Rodden (2018) identifies conceptual gaps. This is observed in the differences in the independent variables used by the study.

2.5. Conceptual Framework

The Conceptual framework, a cited by Oso and Omen (2002) represents a linking relationship of the variables of the study. As seen in Figure 2.1, the strategic factors (digital, staff competency, operational costs, government regulations & policies) which are independent variables represent factors that influence daily decisions in organization and affect quality of service delivery (Dependent variable).

Dependent variable- The quality service delivery was measured using the SERVQUAL model with 5 dimensions including; assurance, tangibility, reliability, empathy and responsiveness (Parasuraman et al.1988). Interdependent variable- strategic factors to include: changes in technology, staff competency, quality service delivery, competition, and increased cost of providing services. Digital banking was measured using the following indicators: mobile banking, agency banking, internet banking, and automated teller machines. Staff competency was measured using the following indicators: knowledge, attitude and skills. Operational costs were measured using the following indicators: overhead, salaries, maintenance, and office space costs. Government policies and regulations was measured using the following indicators; taxation, interest rates, and licensing.

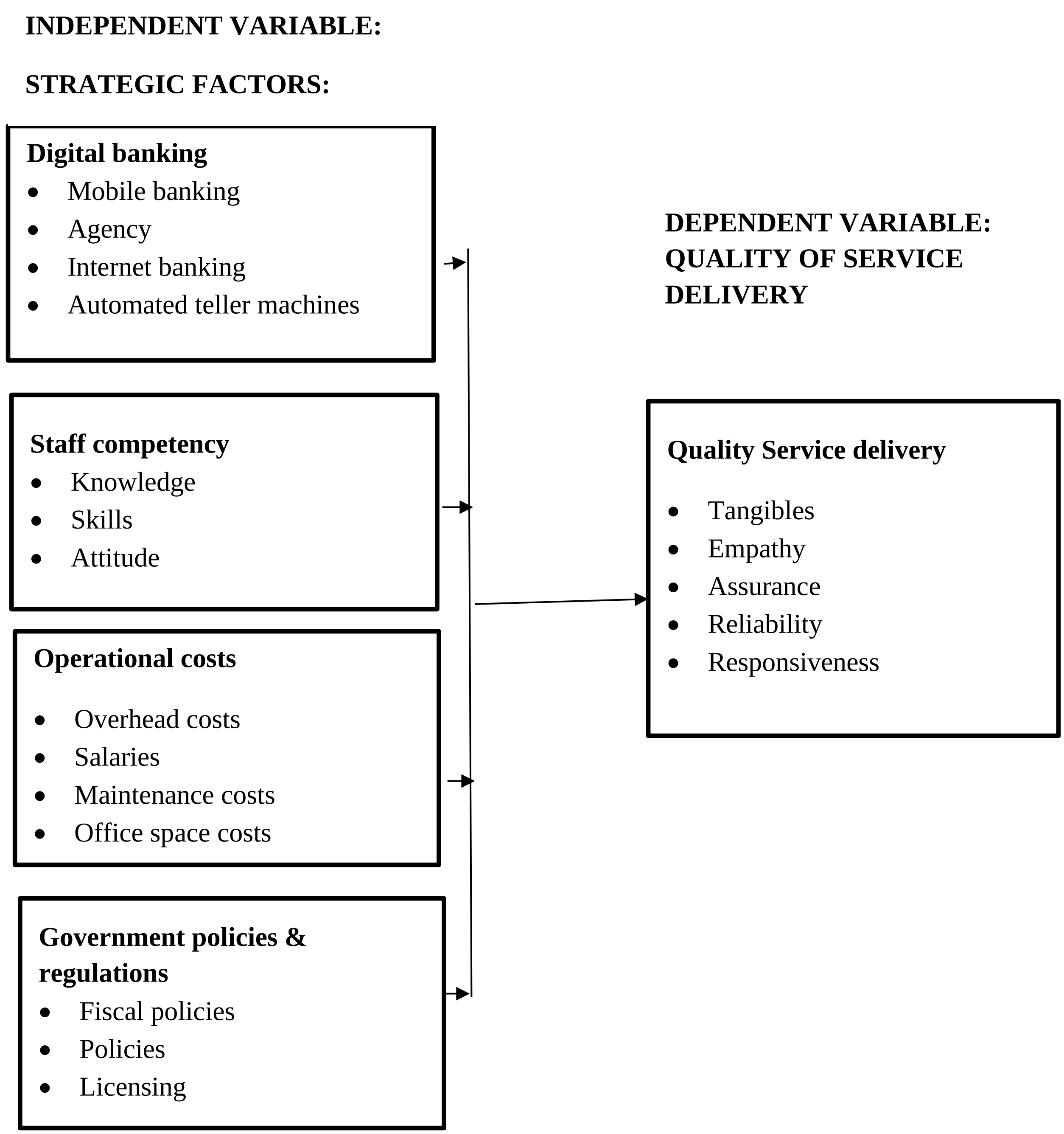

Figure 2.1: conceptual framework

Source author: 2022

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

The research methodology was utilized to answer the study objectives. This methodology involves logical steps from choosing research design, selecting key informants, determination of a smaller representative and techniques of obtaining sample representatives. As well, the chapter outlined the instruments, and procedure of collecting, and presenting analyzing data.

3.2. Research Design

Ghauri, Grønhaug and Strange (2020) opine that research methodology will need an effective research design. The study did employ a descriptive research design, which according to Dorsten and Hotchkiss (2018) is a design that provides an in depth information of the study questions. According to Van de Vijver and Leung (2021), descriptive design provides an open space for researchers to obtain more data within study constraints. Therefore, the design was suitable in answering the study objectives. The research seeks to lengthily identify the relationship that exists between strategic factors and quality service delivery in commercial banks branches.

3.3. Target Population

According to Bell, Bryman and Harley (2018) target population define the groups of objects or personalities that are studies by the researcher. The registered commercial banks found in Uasin Gishu did provide the target population. These included 104 managers of selected commercial banks. Uasin Gishu County business licensing department of 2022 (Appendix IV) did justify the number of registered banks in the county. Each of these commercial banks has 4 managers (marketing, branch, operations and credit) as shown in Table 3.1. The managers were chosen because they specifically understand and implement strategic activities of the bank.

Table 3.1 Target Population

Target Group	Number of banks	Total
1 Marketing manager	26	26*1
1 Branch Manager	26	26*1
1. Operations Manager	26	26*1
1 Credit manager	26	26*1
Total		**104**

Source: Uasin Gishu County business licensing department of 2022

3.4. Sampling Techniques and Design

The census sampling technique was used by the research; this is by selecting all the commercial banks found in the study location. Queirós, Faria and Almeida (2017) define census sampling technique as the method of including or selecting all participants or respondents of a study. The technique is appropriate in cases where the study respondents are few in number to be sampled and are more likely to provide similar key information. Dorsten and Hotchkiss (2018) discourses that census is ideal in cases where the researcher is need of a zero sampling error. Hence, the respondents of the study were selected purposively who were 104 branch managers of the commercial banks.

3.5. Data Collection

3.5.1. Data Collection Instruments

The researcher did use primary data to accomplish the research objectives. The primary data did entail the use of the questionnaire method which was used to obtain the required information from the study respondents. The questionnaire was structured based on the themes of the study (five sections) guided by the Likert type scale questionnaire structure.

3.5.2. Data Collection Procedures

The data collection began with seeking and obtaining required authorization and permits from various institutions and organizations. These especially included the sponsoring learning institution and public entity offering research permit (NACCOSTI). Effective data collection is justified by Van de Vijver and Leung (2021), who state that collection of data should be planned and conducted ethically and professionally. The study provided a period of 3 weeks to be used in collecting data. During the collection period the respondents were given the questionnaires and the researcher will wait for it to be filled and then collect it. This allowed a higher response rate and any clarifications if needed. Research ethics and professionalism did guide the entire data collection process.

3.6. Pilot study

The pilot study represents an important step in ensuring the results of the study are actualized (Van de Vijver and Leung, 2021). The study did choose a different study location to conduct the pilot study. This location was the neighboring county of Nandi, where 8 commercial banks were purposively selected to form the target population used in the study. The 8 are the best performing commercial banks in the county. Nandi County was selected because it is harboring the similar characteristics with the study location. Pilot study was to facilitate the testing of the instruments for validity and reliability.

3.6.1. Validity of Research Instruments

The author Robinson (2002) state that the process of ensuring the instruments meets the objectives of the study is validity. Cooper and Schindler (2003) describe validity of the research instruments as the procedure of removing offensive, irrelevant, and ambiguous type of questions. Validity of the instruments in this study was achieved by seeking guidance from the study supervisor and subject experts. This involved scrutinizing each question in respect to content, relevancy, ambiguity, and constructs to establish its suitability answer the study objectives.

3.6.2. Reliability of Research Instruments

Test of reliability of the research instruments involves ensuring that they are consistent in providing similar outcomes or responses (Mugenda and Mugenda, 2003). The process of testing validity of the instruments began by employing a test-retest methodology where respondents will be given the same questionnaire in two different intervals. The Cronbach alpha statistic was used to test for reliability. A Cronbach alpha statistic value >0.7 obtained from the test of the set of instruments was concluded to be reliable. Nunally (1978) justify that reliability statistic values greater than 0.65 is reliable and sufficient for the study to be conducted. Table 3.3 shows the reliability results of the study

Table 3.2 Reliability Statistics

Cronbach's Alpha	N of Items
0.871	5

From the 5 items used to collect information from the participants, the reliability index was found to be 0.871 hence indicating that the research instruments used were reliable and viable.

3.6.3. Operationalization of variables

Dependent variable- The quality service delivery was measured using the SERVQUAL model. Interdependent variable- strategic factors to include: changes in technology, staff competency, quality service delivery, competition, and increased cost of providing services. Digital banking was measured using the following indicators: Banking via (mobile, ATM, agency, and internet). Staff competency was measured using the following indicators: knowledge, attitude and skills. Operational costs were measured using the following indicators: overhead, salaries, maintenance, and office space costs. Government policies and regulations was measured using the following indicators; taxation, interest rates, and licensing.

3.7. Data Analysis and Presentation

Data analysis according to Dorsten and Hotchkiss (2018) involves the process of converting data into valuable information. It involves a process of organizing, coding and analyzing the data. In this study, the data was analyzed using descriptive and inferential statistics. Descriptive statistics according to Bell *et al* (2018) provides measures that organize and provide description of data presented. In the study, the researcher did use the measures of central tendency and standard deviation as part of the descriptive statistics.

Interpretation of data to make meaningful inferences according to Ghauri *et al* (2020) requires the researcher to use inferential statistics. The frequency distribution tables did present the data. Testing of hypotheses was done at 95% significant level, $p<0.05$. The association of the strategic factors and quality service delivery was tested correlation analysis. Factor analysis minimizes strong and low factors (Shrestha, 2021). Exploratory factor analysis is a statistical technique that is used to reduce data to a smaller set of summary variables and to explore the underlying theoretical structure of the phenomena (Bandalos & Finney, 2018). The assumptions were tested in the study.

Pearson moment correlation coefficient was used by the researcher to establish the strength of the association between independent variable and in dependent variable. Multiple linear regression was used to establish the direction and the relationship between dependent variable and predictors. Therefore, an application of multiple linear regression to the dependent and independent variables would produce an equation as stated below.

$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_{4+}\,\mathcal{E}$

Where:

Y = Dependent variable/construct (quality service delivery)-

B_0 = constant

$\beta_1, \beta_2, \beta_3, \beta_4$ = regression coefficients

X_1 = independent construct (digital banking)

X_2 = independent construct (staff competency)

X_3 = independent construct (operational costs)

X_4 = independent construct (Government policies & regulation)

$\mathcal{E}$ = error term

3.8. Ethical Issues

Informed consent were sought where furthermore respondents who were allowed to participate voluntarily. The researcher ensured that professional ethical and moral standards were followed during the data process. No specific identity of the respondents was exposed during the data collection process, and no respondent was coerced to participate in the study. Other ethical issues considered by the study was avoiding plagiarism and seeking relevant authorization during data collection. Minji, (2009) opines that it is necessary for the research standards and ethics be maintained for the results to be accepted.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSIONS

4.1 Introduction

The fourth chapter outlines the analysis of the collected data as per the objective of the study. Descriptive and inferential statistics were used by the study to analyze data. Findings were arranged according to the themes of the study and presented using frequency distribution tables.

4.2 Response rate

The study issued a total of 106 questionnaires to the respondents who were the marketing manager, branch manager, operations manager and credit manager. Out of the 104 questionnaires issued a total of 99 questionnaires were dully filled and retuned. This response represented 95.19% response rate. According to works of Fincham (2008) a response rate of above 60% in research was acceptable hence validating the study outcomes.

Table 4.1 Response Rate

Item	Sample	Percentage
Questionnaires administered	106	100%
Questionnaires returned	99	95.19%

4.3. Factors relationships

The association of the strategic factors and quality service delivery was tested using factor analysis. Factor analysis was aimed at reducing a large number of variables into fewer numbers of factors. The assumptions were tested in the study. The study did obtain positive outcomes. Factor analysis began by extracting the various components using the Eigenvalue utilizing the total variance explained; the study was able to eliminate some of the components. The total variance is explained in Table 4.2.

Table 4.2 Total variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.141	62.624	62.624	8.141	62.624	62.624	6.100	46.922	46.922
2	1.584	12.184	74.808	1.584	12.184	74.808	3.625	27.886	74.808
3	.846	6.511	81.319						
4	.789	6.070	87.389						
5	.359	2.763	90.153						
6	.301	2.312	92.465						
7	.245	1.883	94.347						
8	.223	1.719	96.066						
9	.168	1.295	97.361						
10	.151	1.163	98.524						
11	.083	.640	99.164						
12	.065	.499	99.662						
13	.044	.338	100.000						

Extraction Method: Principal Component Analysis.

The findings in the Table 4.2 shows out of 13 components only two of the factors is selected as per the Eigenvalue. This is because only components with high Eigenvalues are likely to represent real underlying factors (components selected are those with Eigenvalues at least 1). Therefore, r-square values were then used to test to what extent the 2 underlying factors (mobile payments and staff skills) account for the variance of the 13 other variables. The communalities (Table 4.3) show these results.

Table 4.3 Communalities

	Initial	Extraction
Internet banking offers convenience on the nature of products offered to the customer.	1.000	.812
Mobile payments and receiving of cash provides reliable and satisfaction of the customers.	1.000	.557
Automated service machines gives assurance of availability of services to the customers	1.000	.801
Agency banking provides quality of services that is responsive to customer needs.	1.000	.616
Knowledge of the staff provide consistency in providing information to the customer	1.000	.894
Skills of the staff are sufficient in offering technical advice and support to the customers	1.000	.736
Attitude of the staff is responsive to the needs and queries of the customers	1.000	.725
Overhead costs are managed consistently by the organization	1.000	.802
Maintenance costs are minimized by the organization effectively.	1.000	.662
Office space costs are managed effectively by the organization	1.000	.708
Interest rates are considered during planning	1.000	.648
Taxation are factored in during planning process	1.000	.856
Licensing is part of the daily decisions in the organization	1.000	.908
Extraction Method: Principal Component Analysis.		

Table 4.3 shows that all the variables have high communalities which are above 0.40. This means that all the 13 components contribute to measuring the underlying factors. This leads to the conclusion that 13 variables 2 underlying factors. But the study sought to establish further which of the items measure which factors. The factor loadings provide the answer to these questions presented in rotated component matrix (Table 4.4).

Table 4.4 Rotated Component Matrix

Statements	Component 1	2
Internet banking offers convenience on the nature of products offered to the customer.	.837	.334
Mobile payments and receiving of cash provides reliable and satisfaction of the customers.	.579	.471
Automated service machines gives assurance of availability of services to the customers	.780	.438
Agency banking provides quality of services that is responsive to customer needs.	.723	.304
Knowledge of the staff provide consistency in providing information to the customer	.843	.429
Skills of the staff are sufficient in offering technical advice and support to the customers	.801	.308
Attitude of the staff is responsive to the needs and queries of the customers	.845	.103
Overhead costs are managed consistently by the organization	.886	.127
Maintenance costs are minimized by the organization effectively.	.773	.254
Office space costs are managed effectively by the organization	.524	.658
Interest rates are considered during planning	.394	.702
Taxation are factored in during planning process	.175	.909
Licensing is part of the daily decisions in the organization	.146	.942

Source: Author 2022

The Table 4.4 shows that the 2 underlying factors (use of mobile payments (component 1) and skills of the staff (component 2) are measured by other 11 variables based on the regression-values indicated against them. This means that that use of mobile payment and cash receipt and skills of the staff is predicted by Licensing, Taxation, Office space costs, Overhead costs, Attitude of the staff , Knowledge of the staff, Agency banking, Automated service machines and Internet banking.

Finally, the descriptive finding (Table 4.5) of the factors loading was obtained this was useful in outlining the labelling scores of the model.

Table 4.5 Descriptive scores

Statements	Descriptive Statistics N	Minimum	Maximum	Sum	Mean
Mobile payments and receiving of cash provides reliable and satisfaction of the customers.	99	1.00	5.00	380.00	3.8384
Skills of the staff are sufficient in offering technical advice and support to the customers	99	2.00	5.00	382.00	3.8586
Overhead costs are managed consistently by the organization	99	2.00	5.00	390.00	3.9394
Interest rates are considered during planning	99	1.00	5.00	342.00	3.4545
Valid N (listwise)	99				

Source Author 2022

The findings (Table 4.5) shows that mobile payments and receiving of cash provides reliable and satisfaction of the customers, skills of the staff are sufficient in offering technical advice and support to the customers, and overhead costs are managed consistently by the organization. These factors are rated higher with a mean score >0.6 while interest rates are considered during planning is rated low at mean score=0.4.

4.4 Demographic Information and Respondents Profiles

General traits of the respondents were analyzed. These questions were related to personal and work related data useful in ascertaining representation during the study. Table 4.6 illustrates general information of the respondents.

Table 4.6: General information of the respondents

Level of education	**Frequency**	**Percent**
Certificate	28	28.3
Diploma	22	22.2
Undergraduate	23	23.2
Post Graduate & Above	26	26.3
Total	**99**	**100.0**
Period you have been in the organization		
	Frequency	**Percent**
0 to 2 years	29	29.3
3-4 years	37	37.4
5 years & above	33	33.3
Total	**99**	**100.0**
The managerial unit you are stationed		
	Frequency	**Percent**
Credit section	16	16.2
Operational	22	22.2
General managerial	16	16.2
Security & safety	20	20.2
Marketing	25	25.3
Total	**99**	**100.0**
Priority area in strategic planning		
Technology advancements	15	15.2
Legislation Compliance	20	20.2
Quality delivery	17	17.2
Growth & expansion	21	21.2
Competitive edge	26	26.3
Total	**99**	**100.0**

Source Author 2022

On the demographic characteristics of the respondents, their level of education was inquired of which certificate holders accounted for 28 (28.3%), diploma accounted for 22 (22.2%), undergraduate accounted for 23 (23.2%) while those who had attained postgraduate and above accounted for 26 (26.3%). From these findings it is evident that all the participants had attained desirable level of education which was important in comprehending the area of study hands allowing them to answer the provided questions appropriately.

The participants were also required to indicate how long they had worked with the relevant banks. Out of the 99 participants, 29 (29.3%) had worked with the relevant organisation for less than two years, whereas 37 (37.4%) had worked with the relevant organisation for a period of between three to four years while 33 (33.3%) add work with their organisation for more than five years. This shows that their participant selected for the study had immense knowledge about the area being researched hence had their knowledge and experience of providing the study with the accurate information about the areas that were being researched on.

The study also sought to understand which areas did the participants going back to their day-to-day duties. From the 99 participants or return to their questionnaires it was not at that 16 (16.2%) of the participants worked in the credit section, 22 (22.2%) were in the operational department, 16 (16.2%) what general managers, 20 (20.2%) were in the security and safety section while 25 (25.3%) while in the marketing section. This indicates that all the sections concerned with the area being studied were represented thus providing the researchers with the required information about the topics that the study was covering.

The study also sought to understand which areas of strategic planning was priority. From the analysis it was discovered that 15 (15.2%) indicated technology advancement as their priority area strategic planning, 20 (20.2%) indicated legislation compliance, 17 (17.2%) indicated quality delivery, 21 (21.2%) indicated growth and expansion while 26 (26.3%) indicated competitive edge. From the findings, it is not at that all the areas that the researcher was looking at played an important role in strategic planning in the various organisations that were being included in the study.

4.5 Descriptive findings

The section presents descriptive findings.

4.5.1 Digital Technology and Quality service delivery

The first objective of the study sought to establish the effect of digital technology on quality of service delivery. Respondents were provided with statements to assess their level of agreements, and findings obtained and shown in Table 4.7.

Table 4.7 Influence of Digital Technology on Quality service delivery

	SDA (%)	DA (%)	UD (%)	A (%)	SA (%)	Mean	SD
Mobile payments and receiving of cash provides reliable and satisfaction of the customers.	4 (4.0)	12 (12.1)	11(11.1)	41(41.4)	31(31.3)	3.838	1.122
Agency banking provides quality of services that is responsive to customer needs.	4 (4.0)	12 (12.1)	28 (28.3)	38 (38.4)	17 (17.2)	3.525	1.043
Internet banking offers convenience on the nature of products offered to the customer.	3 (3.0)	4 (4.0)	19 (19.2)	54(54.5)	19(19.2)	3.828	0.893
Automated service machines gives assurance of availability of services to the customers	4(4.0)	6(6.1)	19 (19.2)	53 (53.5)	17 (17.2)	3.737	0.954
Composite Mean						**3.732**	**1.003**

Source Author 2022

From the analysis of the collected information (Table 4.7), the participants were requested to indicate to what level of agreement did mobile payments and receiving of cash provide reliable and satisfaction today customers. From the findings it was seen that 41 (41.4%) of the participants agreed to mobile payments and receiving of cash as a means of providing reliable unsatisfactory service to customers, these were supported by a further 31 (31.3%) of the participants who strongly agreed whereas 11 (11.1%) were undecided and 12 (12.1%) disagreed who was supported by 4 (4.0%) who strongly disagreed. The item compounded a composite mean of 3.838 with a standard deviation of 1.122. The comparison between the line item mean and the composite meaning of 3.732 shows that mobile payment and receiving of cash contributed to customer satisfaction thus affecting quality service delivery. The standard deviation of the item (1.122) was higher done the composite standard deviation of (1.003) indicating a divergence in opinion among the participants. Ruesta and Benaglio (2021), agrees with the finding by opining that electronic mobile technology has enabled customers to serve themselves effectively and conveniently.

The participants were also to indicate whether agency banking provided quality of service that was responsive to customer needs. The analysis showed that 38 (38.4%) of the participants agreed two agency banking providing quality of service that was responsive to the needs of their customers, 17 (17.2%) strongly agreed to this whereas 28 (28.3%) of the participants were undecided while 12 (12.1%) disagreed who were supported by 4(4.0%) who strongly disagreed. the line mean item was 3.525 with a standard deviation of 1.043. The item mean being lower than the composite mean of 3.732 indicated that although agency banking provided quality of service that was a responsive to customers, indicated that each did not contribute to the provision of quality service delivery. The line standard deviation was higher than the composite standard deviation of 1.003 indicating a divergence in opinion among the participants. Poushneh and Vasquez-Parraga (2018) supports the finding by stating that agency banking has enhanced banking service delivery.

The participants were also requested to indicate whether Internet banking offered convenience on the nature of products offered to customers. From the findings 54 (54.5%) agreed that Internet banking offered convenience on the nature of products offer to their customers; 19 (19.2%) strongly agreed to this whereas 19 (19.2%) what undecided while 4(4.0%) strongly disagreed. The line-item mean was 3.828 with standard deviation of 0.893. The line-item mean was higher than the composite mean of 3.732 indicating that Internet banking influenced quality service delivery. In comparison, the line standard deviation of 0.893 was lower than the composite standard deviation of 1.003 indicating a convergence in opinion among the participants. Poushneh and Vasquez-Parraga (2018) agrees internet banking as lessen the time wasted in getting the services thus improving service delivery.

On the issue of automation of service machines and the provision of assurance of availability of services to their customers, it was not at that 53(53.5%) of the participants agreed that automated service machines gave assurance of service availability to their customers; 17(17.2%) of the participants strongly agreed whereas 19(19.2%) of the participants were undecided while 6 (6.1%) disagreed and 4(4.0%) strongly disagreed. The item mean was 3.737 with standard deviation of 0.954. The comparison between the line-item mean undo the composite mean of 3.732 revealed that automated machines played a critical role in the provision of quality service. While comparing the line-item standard deviation against the composite standard deviation of 1.003 it revealed a convergence in opinion amongst the participants.

4.5.2 Staff competency and quality service delivery

The second objective of the study sought to establish the effect of staff competency on quality service delivery. The respondents were therefore given statements that define the association to provide their level of agreement. Finding was summarized and presented in Table 4.8.

Table 4.8 Staff competency and quality service delivery

	SDA (%)	DA (%)	UD (%)	A (%)	SA (%)	Mean	SD
Knowledge of the staff provide consistency in providing information to the customer	-	7(7.1)	25(25.3)	48(48.5)	19(19.2)	3.7980	.83275
Attitude of the staff is responsive to the needs and queries of the customers	4(4.0)	3(3.0)	10(10.1)	46(46.5)	36(36.4)	4.0808	.97601
Skills of the staff are sufficient in offering technical advice and support to the customers	-	3(3.0)	27(27.3)	50(50.5)	19(19.2)	3.8586	.75607
Composite Mean						**3.9125**	**0.85494**

The participants were requested to indicate whether knowledge of the staff provided consistency in providing information to their customers. From their analysis it was noted that 48 (48.5%) of their participants are agreed that the knowledge of the staff contributed to consistency in the provision of information that was given to the customers; 19 (19.2) of the participants agreed to this whereas 25 (25.3%) were undecided and 7(7.1%) disagreed. The line-item mean was found to be 3.798 with standard deviation of 0.834. The comparison between the line item in was lower compared to the composite mean of 3.913 revealing that the knowledge of staff in providing consistency in providing information to customers did not affect the quality of the service delivered. The line standard deviation was lower compared to the composite standard deviation of

0.855 indicating a convergence opinion among the participants of the study. George and Zakkariya (2018) agrees that staff knowledge is critical in providing accurate and timely information during service delivery.

The participants were also requested to indicate whether attitude of the staff was responsive to their needs and queries of the customers. The findings indicated that 46 (46.5%) of the participants agreed that the attitude of this stuff was instrumental in responding to their needs and queries of their customers; this was supported by 36 (36.4%) of the participants who strongly agreed whereas 10(10.1%) of the participants were undecided while 4 (4.0%) strongly disagreed and 3 (3.0%) disagreed. The line-item mean was 4.081 with standard deviation of 0.976. While comparing the line item mean it was found to be higher than the composite mean of 3.913 indicating that is the attitude of this staff contributed to the quality of service delivered. The line-item standard deviation of 0.976 was higher compared to the composite standard deviation of 0.855 indicating a divergence of opinion or views amongst the participants. Roy and Vishwanathan (2018) support the finding by stating that customer associate the kind of service delivery with the attitude of the staff.

The participants in the study were requested to indicate whether skills of the staffs were sufficient in offering technical advice and support to the customers. From the analysis it was not at that 50 (50.5%) of the participants agreed that is skills of this stuff was important in offering of technical advice and support their customers in the specific banks; this was supported by 19 (19.2%) of the participants who strongly agreed whereas 27 (27.3%) were undecided While three (3.0%) disagreed. The line-item mean was 3.859 with a standard deviation of 0.756. In comparison, the line-item mean was lower than the composite mean of 3.9125 indicating that the skills of their staff did not contributes to quality service delivery whereas the standard deviation of the line item was lower than the composite standard deviation of 0.855 indicating a convergence of views or opinion amongst the participants. Salman, Ganie and Saleem (2020) support the findings by stating staff skills are critical in service delivery.

4.5.3 Operational costs and quality service delivery

The third objective of the study sought to find the effect of operational costs on quality of service delivery where the respondents were provided with statements that define the association of the variables. Findings of the study were then presented as per Table 4.9

Table 4.9 Operational costs on quality service delivery

	SDA (%)	DA (%)	UD (%)	A (%)	SA (%)	Mean	SD
Overhead costs are managed consistently by the organization	-	11(11.1)	16(16.2)	40(40.4)	32(32.3)	3.9394	.96699
Maintenance costs are minimized by the organization effectively.	-	7(7.1)	14(14.1)	44(44.4)	34(34.3)	4.0606	.87852
Office space costs are managed effectively by the organization	7(7.1)	15(15.2)	23(23.2)	34(34.3)	20(20.2)	3.4545	1.18039
Composite Mean						**3.9125**	**0.85494**

Author 2022

The participants were requested to indicate whether overhead costs while managed consistently by the organisation. From the analysis, it was found that 40 (40.4%) of the participants agreed to overhead costs being managed consistently by their respective organisations; this was supported by another 32 (32.3%) Who strongly agreed whereas 16(16.2%) were undecided while 11 (11.1%) disagreed. The line-item mean was 3.939 with a standard deviation of 0.967. From the findings, the line-item mean was higher than the composite mean which was 3.913 indicating that overhead costs had a direct effect on the quality of service delivered. The item standard deviation of 0.967 was higher than the composite standard deviation of 0.855 indicating a divergence in views or opinion among the participants.

The participants were further requested to indicate weather maintenance costs were minimised by the respective organisations effectively. The outcomes indicated that 44 (44.4%) of the total number of participants agreed that indeed maintenance costs were minimised by the organisations effectively; this was further supported by 34(34.3%) who strongly agreed whereas 14 (14.1%) of the participants were undecided while seven (7.1%) disagreed. The line-item mean was 4.061 with a standard deviation of 0.879. In comparison the line-item mean was higher compared to their composite standard mean indicating that maintenance costs had a direct effect on the quality of service delivered. The line-item standard deviation of 0.79 was higher than the composite standard deviation of 0.855 indicating a divergence in views or opinions amongst the participants.

On the management of office space costs by the organisation, 34(34.3%) of the participants agreed that the organisation effectively managed the available office space costs; this was further supported by 20 (20.2%) who strongly agreed whereas 23 (23.2%) were undecided while 15 (15.2%) disagreed with father 7(7.1%) strongly disagree. The item line mean was found to be 3.455 with a standard deviation of 1.180. In comparison the line-item mean was lower compared to their composite mean of 3.913 indicating that office space costs why not letter to quality service delivery. The line item standard deviation of 1.180 was higher compared to the composite mean of 0.855 revealing a convergence in views amongst the participants.

4.5.4 Government banking regulations &regulations and quality service delivery

The study fourth objective sought to determine how government banking regulations contributed to quality service deliver among commercial banks. The findings were shown in Table 4.10.

Table 4.10 Government banking regulations &regulations on quality service delivery

	SDA (%)	DA (%)	UD (%)	A (%)	SA (%)	Mean	SD
Interest rates are considered during planning	3(3.0)	6(6.1)	39(39.4)	45(45.5)	6(6.1)	3.455	.82404
Taxation are factored in during planning process	6(6.1)	16(16.2)	38(38.4)	33(33.3)	6(6.1)	3.172	.97980
Licensing is part of the daily decisions in the organization	6(6.1)	6(6.1)	32(32.3)	46(46.5)	9(9.1)	3.465	.96164
Composite Mean						**3.364**	**0.92183**

Author: 2022

From the analysis in table 4.10, the participants were requested to indicate to what level had interest rates considered during planning. The analysis revealed that 45(45.5%) of participants agreed that interest rates were considered during planning; this was further supported by 6(6.1%) of the participants who strongly agreed whereas 39(39.4%) of the participants were undecided while 6 (6.1%) disagreed and 3(3.0%) strongly disagreed. The line item mean was 3.455 with a standard deviation of 0.824. In comparison the line-item mean; it was higher than the composite mean of 3.364 hence indicating that interest rates contributed to quality service delivery. The line standard deviation was found to be low then the composite standard deviation of 0.9213 indicating a convergence of opinion between the participants.

The respondents were requested to indicate taxation was factored in during the planning process. From the analysis it was revealed that 33(33.3%) of the participants agreed to taxation being factored in during the planning process saving: this was father supported by 6(6.1%) of the participants who strongly agreed whereas 38(38.4%) what undecided whereas 16(16.2%) disagreed with another 6(6.1%) strongly disagree. The line-item mean was 3.172 with a standard deviation of 0.980. While comparing the line mean of 3.171 with the composite mean of 3.364, it was evident that taxation did not contribute to quality service delivery. The line standard deviation of 0.980 was higher than the composite mean of 0.923 indicating a divergence of opinion or views amongst the participants.

The participants were requested to indicate whether licensing was part of their daily decisions in the organisations. From the analysis it was evident that 46 (46.5%) of the participants agreed to licensing is being part of the daily decisions of their respective organisations; this was supported by 9 (9.1%) of the participants who strongly agreed whereas 32 (32.3%) what undecided with 6 (6.1%) disagreeing as well as strongly disagree. The line-item mean was 3.465 with a standard deviation of 0.962. In comparison, the line-item mean was greater than the compensate mean of 3.364 indicating that licenses played a crucial vital role in the daily decisions making within their respective organizations. The lion standard deviation of 0.612 was found to be higher than the composite somebody deviation of 0.922 indicating a divergence of opinion or views amongst the participants.

4.6 Quality service delivery

There is such assault to establish how quality service delivery was attained in the several commercial banks identified for the study and the findings were presented in Table 4.11.

Table 4.11 Quality Service delivery

Statistics

	SDA (%)	DA (%)	UD (%)	A (%)	SA (%)	Mean	SD
The staff, tools and equipment's are relevant to providing the necessary support (tangible)		16(16.2)	22(22.2)	42(42.4)	19(19.2)	3.647	0.972
Staff and management have the passion in serving the organization needs (empathy)	3(3.0)	14(14.1)	34(34.3)	33(33.3)	15(15.2)	3.434	1.012
Services and products are usually delivered with no difficulty (assurance)		4(4.0)	16(16.2)	58(58.6)	21(21.20	3.970	0.735
Services promised are usually delivered consistently and in correct way (reliability)		7(7.1)	28(28.3)	37(37.4)	27(27.3)	3.849	0.908
The management and staff are willing to help any given moment		7(7.1)	20(20.2)	48(48.5)	24(24.2)	3.899	0.851
Composite Mean						**3.760**	**0.896**

Author 2022

The participants were requested to indicate to what level of agreement did their stuff, tools and equipment relevant in the provision of the required support. The analysis revealed that 42 (42.4%) of the participants agreed that the staff that were available, tools and equipment were relevant in the provision of the necessary support required to attain quality service delivery. The line-item mean was 3.6 47 with the standard deviation of 0.972. In comparison, the line-item mean was lower than the composite mean of 3.759 indicating that the staff tools and equipment why not relevant in the provision off quality service. The last under the deviation was greater than their composite standard deviation of 0.8 95 indicating a divergence in views amongst the participants.

It was also required to establish whether staff under management had their passion in serving the organization needs. From the analysis 33 (33.3%) of the participants are greed that staff and management had the passion in serving the organizational needs. This was further supported by 15 (15.2%) who strongly agreed whereas that 34(34.2%) were undecided with 14 (14.1%) disagreeing and 3(3.0%) strongly disagreeing. The line item will was 3.434 with the standard deviation of 1.012. In comparison the line item mean of 3.434 was lower than the composite mean of 3.759 indicating that stuff under management involvement it was not important in the provision of quality service. The line item standard deviation off 1.012 was higher compared to their composite standard deviation of 0.895 which indicates a divergence in opinion amongst the participants.

The participants were requested to indicate whether services and products were usually delivered with no difficulties. From the analysis it was not at that 58 (58.6%) of the participants agreed that the service is on products were usually delivered within no difficulties; this was father collaborated by 21 (21.2%) who strongly agreed whereas 16 (16.2%) why undecided and 4 (4.0%) disagreed. The item line mean was 3.969 the standard deviation of 0.735. In comparison, the line-item mean was greater than the composite mean of 3.759 indicating that the services and products were usually delivered without any difficulty hence contributing to quality service delivery. The line-item standard deviation was lower than the composite Standard deviation of 0.895 revealing a convergence in views or opinion amongst the participants.

It was also requested of the participants to indicate whether their services promised were usually delivered consistently and in a corrective manner. From the analysis it was not at that 37(37.4%) of the participants agreed that their services promised were usually deliver consistently and in a correct manner or way. This was collaborated by 27 (27.3%) of the participants who strongly agreed whereas 28 (28.3%) what undecided and 7 (7.1%) disagreed. The line I can mean found to be 3.849 with a standard deviation of 0.908. In comparison the line-item mean was higher compared to the composite mean of 3.759 indicating that the service promised and how they were delivered contributed to quality service delivery. The line-item standard deviation of 0.908 was higher compared to the composite standard deviation of 0.895 indicating a divergence in opinion amongst the participants.

The participants were also requested to indicate whether their management and stuffs were willing to help at any given time or moment. From the analysis, it was noted that 48 (48.5%) agreed and better their management and staff were willing to help at any given time or moment; this was further supported by 24 (24.2%) who strongly agreed whereas 20 (20.2%) were undecided and seven (7.1%) disagreed. the line-item mean was 3.899 with the standard deviation of 0.851. While comparing the item mean and the composite mean of 3.759, the line-item mean was higher than the composite mean indicating that the management and staff willingness to help at any given moment contributed to the quality of service delivered. The line item standard deviation of 0.851 was lower than the composite standard deviation of 0.895 indicating a convergence in opinion amongst the participants.

4.7. Inferential findings

The section was documented to establish the causal and predictive effect of the variables to the dependent variable. Pearson product moment correlation coefficient was used to find out the relationship between variables while regression analysis was used to establish the predictive association. Hypotheses were tested at 95% significance level, $p<0.05$.

4.7.1 Correlation analysis

The strength association between the variables of the study was established by the use of correlation analysis at 95% significance level. Table 4.12 shows correlation findings.

Table 4.12 Correlation analysis

Correlations						
		Quality service delivery	**Digital banking**	**Staff competency**	**Operational costs**	**Government policies & legislations**
Quality service delivery	Pearson Correlation	1	.653**	.607**	.615**	.748*
	Sig. (2-tailed)		.000	.000	.000	.013
	N	99	99	99	99	99
Digital banking	Pearson Correlation	.653**	1	.642**	.693**	.736**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	99	99	99	99	99
Staff competency	Pearson Correlation	.607**	.642**	1	.745**	.718**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	99	99	99	99	99
Operational costs	Pearson Correlation	.615**	.693**	.745**	1	.780**
	Sig. (2-tailed)	.000	.000	.000		.005
	N	99	99	99	99	99
Government policies & legislations	Pearson Correlation	.748*	.736**	.718**	.780**	1
	Sig. (2-tailed)	.013	.000	.000	.005	
	N	99	99	99	99	99

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Table 4.12 shows that that digital banking and quality service delivery have a positive significant close relationship with digital banking, r=0.653. On the other hand, a positive close relationship was found between staff competency and quality service delivery, r=0.607. Additionally, the study did find that a positive close relationship exists between operational costs and quality service delivery, r=0.615. Lastly, the study found that a positive relationship exists between government policies and regulations and quality service delivery, r= 748.

4.7.2 Regression analysis

Therefore, the model summary describing the relationship between predictors and the dependent variable was shown in Table 4.13.

Table 4.13 Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.740[a]	.548	.529	.62313	2.191

a. Predictors: (Constant), digital banking, staff competency, operational costs, government policies & regulations

b. Dependent Variable: Quality service delivery

Table 4.13 shows that strategic factors (digital banking, staff competency, operational costs and government policies and regulations) contribute 52.9% variance of quality service delivery. This predictive association was found to be significant as shown in the ANOVA (Table 4.14) F=28.476, p<0.05.

Table 4.14 Analysis of Variance

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	44.228	4	11.057	28.476	.000[b]
	Residual	36.499	94	.388		
	Total	80.727	98			

a. Predictors: (Constant), digital banking, staff competency, operational costs, government policies & regulations

b. Dependent Variable: Quality service delivery

Table 4.15 shows the unit contribution of each variable (digital banking, staff competency, operational costs, government policies and regulation) on quality service delivery.

Table 4.15 Coefficients

Coefficients[a]

Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	.239	.353		.677	.000
	Digital banking.	.075	.116	.074	.649	.010
	Staff competency	.748	.133	.623	5.644	.000
	Operational costs.	.189	.108	.183	1.752	.013
	Government policies & legislations	.070	.075	.074	.941	.041

a. Dependent Variable: Quality service delivery

Table 4.15 shows that digital banking contributes to 7.4% % unit of quality service delivery. Additionally, staff competency contributes to 62.3% unit of quality service delivery and also, operational costs contribute to 18.3% unit of quality service delivery. Lastly, government policies and legislations contribute 7.4% unit of quality service delivery. Multiple linear regression model summary of the relationship between strategic factors and quality service delivery is follows

$$. Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_{4+} \mathcal{E}$$

$$Y = 0.239 + 0.074X_1 + 0.623X_2 + 0.183X_3 + 0.074X_4 +0.353$$

4.7.3. Test of Hypotheses

Test of hypotheses was done at 95% significance level, $p<0.05$. The first hypothesis of the study was; $Ho:_1$ There is no significant relationship between digital banking and quality service delivery: a survey of commercial bank branches in Kenya. The $t=0.649$, $p<0.05$, shows that the study is significant and the null hypothesis is rejected. Therefore, an alternative hypothesis is adopted that states that there is significant relationship between digital baking and quality service delivery.

The second hypothesis of the study was; $Ho:_{2:}$ There is no significant relationship between staff competency and quality service delivery: a survey of commercial bank branches in Kenya. The t=5.644, p<0.05, shows that the study is significant and the hypothesis is rejected. Therefore, an alternative hypothesis is adopted that states that there is significant relationship between staff competency and quality service delivery.

The fourth hypothesis of the study was; $Ho:_3$ There is no significant relationship between operational costs and quality service delivery: a survey of commercial bank branches in Kenya. The t=1.752, p<0.05, shows that the study is significant and the hypothesis is rejected. Therefore, an alternative hypothesis is adopted that states that there is significant relationship between operational costs and quality service delivery.

The fourth hypothesis was; $Ho:_4$ There is no significant relationship between Government banking regulations and policies and quality service delivery: a survey of commercial bank branches in Kenya. The t=0.941, p<0.05, shows that the study is significant and the hypothesis is rejected. Therefore, an alternative hypothesis is adopted that states that there is significant relationship between operational costs and quality service delivery.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMEDATION

5.1 Introduction

The chapter presents a quantified summary of key findings and conclusions from chapter four, further points out the conclusion of the study guided by the key findings obtained in the study. Recommendations and suggestions for further studies are based on the main contributions and current gaps respectively of this study.

5.2. Summary of the Findings

The first objective of the study sought to establish the effect of digital technology on quality of service delivery. Findings shows that mobile payments and receiving of cash provides reliable and satisfaction of the customers, and agency banking provides quality of services that is responsive to customer needs. Furthermore showing that internet banking offers convenience on the nature of products offered to the customer, and automated service machines gives assurance of availability of services to the customers. General findings showing that the comparison between the line item mean and the composite mean shows that mobile payment and receiving of cash contributed to customer satisfaction thus affecting quality service delivery. Inferential finding shows that the factor analysis showing use of mobile for receipts and payment is a major factor in quality service delivery. Digital banking and quality service delivery have a positive significant close relationship with digital banking, $r=0.653$, and contributes to 7.4% % unit of quality service delivery. The $t=0.649$, $p<0.05$, shows that there is significant relationship between digital baking and quality service delivery.

The second objective of the study sought to establish the effect of staff competency on quality service delivery. The study found that the knowledge of the staff provides consistency in providing information to the customer and the attitude of the staff is responsive to the needs and queries of the customers. Furthermore, the study established that the skills of the staff are sufficient in offering technical advice and support to the customers there is significant relationship between staff competency and quality service delivery. General findings shows agreement that the staff competency contributes positively to quality of service delivered. Inferential findings show that the factor analysis indicates skills of the employees are a major factor in contributing to quality of service delivery. A positive close relationship was found between staff competency and quality service delivery, $r=0.607$, and contributes to 62.3% unit of quality service delivery. The $t=5.644$, $p<0.05$, shows that the study is significant this showed that there is significant relationship between staff competency and quality service delivery.

The third objective of the study sought to find the effect of operational costs on quality of service delivery. The study established that overhead costs are managed consistently by the organization and further showing that maintenance costs are minimized by the organization effectively. But there is no agreement on whether the office space costs are managed effectively by the organization. General findings show agreement that operational costs have an influence on quality of service delivery. Inferential findings indicated that operational costs factors were found to have lower factorial loadings to quality of service delivery. A positive close relationship exists between operational costs and quality service delivery, $r=0.615$, and contribute to 18.3% unit of quality service delivery. The $t=1.752$, $p<0.05$, shows that the study is significant therefore there is a significant relationship between operational costs and quality service delivery.

The study fourth objective sought to determine how government banking regulations contributed to quality service delivery among commercial banks. The study found that interest rates are considered during planning, and furthermore, establishing that Taxation are factored in during planning process. Additionally, the study established that licensing is part of the daily decisions in the organization. General findings showing agreement that government regulation contribute to service delivery. Inferential findings showing that there is a positive relationship exists between government policies and regulations and quality service delivery, r= 748, and contribute 7.4% unit of quality service delivery. The t=0.941, p<0.05, shows that the study is significant therefore there is a significant relationship between operational costs and quality service delivery.

5.3. Conclusion

The study concludes that quality of service delivery is significantly influenced by the strategic factors in commercial banks. These strategic factors included; digital banking, staff competency, operational costs and government regulation and legislations. They are dynamic factors that require frequent attention of the management. Commercial banks are highly affected in their quality service delivery due to staff competency and digital banking. Additionally, other specific factors such operational costs, government legislations such as licensing; internet banking and automated machines contribute to the quality of service that is offered in commercial banks.

5.4. Recommendation

The study recommends to the following stakeholders of the study. Those in financial sector especially banking sectors should develop policies that consider the dynamics of strategic factors and quality service delivery. These policies should be relevant to the changes brought by environmental factors. Similarly, managers should develop viable procedures and decisions that seek to address changes in technology and staff competency this is because they form strong effects on the quality of service being delivered. This is by embracing modern technology and conducting trainings for the staff to enhance their competency.

5.5. Suggestion for Further studies

The study recommends that future studies need to be conducted in other areas and covering a large number of commercial banks to enhance the university of the study findings. Furthermore, studies need to be conducted to obtain different perspectives of the customers. This would aid in getting a different outlook and understanding of the concept quality service delivery. Furthermore, other quality service models, theories and frameworks can be used by future studies.

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APPENDICES

Appendix i: Questionnaire

Dear Respondents,

I am a Masters of Business Administration student at University of Nairobi. My study is on the 'Strategic factors affecting quality service delivery: a survey of commercial bank branches in Uasin Gishu County, Kenya.' Kindly do mark where appropriate.

SECTION A: BACKGROUND INFORMATION

1. Indicate your level of education:

   Certificate [ ]

   Diploma [ ]

   Undergraduate [ ]

   Post Graduate & Above [ ]

2. Indicate the period you have been in the organization:

   0 to 2 years [ ]

   3-4 years [ ]

   5 years & above [ ]

3. Indicate the managerial unit you are stationed:

   Credit section [ ]

   Operational [ ]

   General managerial [ ]

   Security & safety [ ]

   Marketing [ ]

4. Indicate the priority area in strategic planning?

   Technology advancements [ ]

   Legislation Compliance [ ]

   Quality delivery [ ]

   Growth & expansion [ ]

   Competitive edge [ ]

SECTION B: Digital Technology and Quality service delivery

5. Please indicate with a tick the level of agreement to which the following factors affect quality of service delivery of commercial banks using a scale of 1-5 where 1=SD (strongly Disagree), 2=D(Disagree), 3=U(Undecided), 4=A(Agree), 5=SA(Strongly Agree).

Statements on digital banking	**5**	**4**	**3**	**2**	**1**
Mobile payments and receiving of cash provides reliable and satisfaction of the customers.					
Agency banking provides quality of services that is responsive to customer needs.					
Internet banking offers convenience on the nature of products offered to the customer.					
Automated service machines gives assurance of availability of services to the customers					

SECTION C: Staff competency and quality service delivery

6. Please indicate with a tick the level of agreement to which the following factors affect quality of service delivery of commercial banks using a scale of 1-5 where 1=SD (strongly Disagree), 2=D(Disagree), 3=U(Undecided), 4=A(Agree), 5=SA(Strongly Agree).

Statements on staff competency	**5**	**4**	**3**	**2**	**1**
Knowledge of the staff provide consistency in providing information to the customer					
Attitude of the staff is responsive to the needs and queries of the customers					
Skills of the staff are sufficient in offering technical advice and support to the customers					

SECTION D: Operational costs and quality service delivery

7. Please indicate with a tick the level of agreement to which the following factors affect quality of service delivery of commercial banks using a scale of 1-5 where 1=SD (strongly Disagree), 2=D(Disagree), 3=U(Undecided), 4=A(Agree), 5=SA(Strongly Agree).

Factors	**5**	**4**	**3**	**2**	**1**
Overhead costs are managed consistently by the organization					
Maintenance costs are minimized by the organization effectively.					
Office space costs are managed effectively by the organization					

SECTION E: Government banking regulations &regulations and quality service delivery

8. Please indicate with a tick the level of agreement to which the following factors affect quality of service delivery of commercial banks using a scale of 1-5 where 1=SD (strongly Disagree), 2=D(Disagree), 3=U(Undecided), 4=A(Agree), 5=SA(Strongly Agree).

Statements	**5**	**4**	**3**	**2**	**1**
Interest rates are considered during planning					
Taxation are factored in during planning process					
Licensing is part of the daily decisions in the organization					

SECTION F: QUALITY SERVICE DELIVERY

1. Please indicate with a tick the level of agreement to which the following statements on quality of service delivery of commercial banks using a scale of 1-5 where 1=SD (strongly Disagree), 2=D(Disagree), 3=U(Undecided), 4=A(Agree), 5=SA(Strongly Agree).

Statements	**5**	**4**	**3**	**2**	**1**
The staff, tools and equipment's are relevant to providing the necessary support (tangible)					
Staff and management have the passion in serving the organization needs (empathy)					

Services and products are usually delivered with no difficulty (assurance)					
Services promised are usually delivered consistently and in correct way (reliability)					
The management and staff are willing to help any given moment					

Appendix ii: Letter of Transmittal

KOITALEEL SAMOEI UNIVERSITY COLLEGE

(A CONSTITUENT COLLEGE OF THE UNIVERSITY OF NAIROBI)

OFFICE OF THE DIRECTOR SCHOOL OF BUSINESS

Email: ljshenga@ksu.ac.ke
Website: www.ksuc.ac.ke

Telephone: +0722638064
P.O. Box 5-30307
Mosoriot, Kenya

REF: KSUC/SOB/MBA/PR/005

DATE: November 16, 2022

TO: WHOM IT MAY CONCERN

RE: LYDIA BOIT - D61/0012/2019,

This is to confirm that the above person is a bona-fide student in the School. She has successfully completed MBA course work, prepared the requisite project proposal and is ready to proceed to the field for data collection.

Her project proposal is titled, **Strategic factors affecting quality service delivery: A survey of Commercial Banks Branches in Kenya.**

Any assistance and cooperation given to her in furtherance of her research enterprise will be welcomed and appreciated.

Thank you.

Faithfully

18 NOV 2022

Prof. Josephat L. Lishenga
Director, Scholl of B siness

Cc: Dr. Kennedy Otiso
D. Rhoda Chumba
Coordinator, Post-Graduate Studies Committee

Appendix iii: Research Permit

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **371660**

Date of Issue: 12/**November/2022**

RESEARCH LICENSE

This is to Certify that Ms.. Emmy Chelagat of Koitaleel Samoei University College, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nandi on the topic: STRATEGIC FACTORS AFFECTING QUALITY SERVICE DELIVERY: A SURVEY OF COMMERCIAL BANKS IN UASIN GISHU COUNTY. for the period ending : 12/November/2023.

License No: **NACOSTI/P/22/22059**

371660

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

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See overleaf for conditions

.Appendix iv: List of Banks in Uasin Gishu

No	Bank Name	No of Branches	Managers
1	Kenya Commercial Bank	4	16
2	Equity limited	2	8
3	ABC bank	1	4
5	Bank of Baroda	1	4
6	Bank of Africa	1	4
7	ABSA (Barclays)	1	4
8	Guardian Bank	1	4
9	Family Bank	1	4
13	Imperial Bank (I&M)	1	4
14	National Bank	1	4
15	Cooperative banks	3	12
16	Oriental bank	1	4
19	Post bank	1	4
20	Standard chartered bank	1	4
21	Bank of India	1	4
22	Unaitas	1	4
23	Stanbic	1	4
24	Diamond Trust Bank	1	4
25.	Transnational Bank	1	4
26	Islamic Bank	1	4
	TOTALS		**104**

STRATEGIC FACTORS AFFECTING QUALITY SERVICE DELIVERY: A SURVEY OF COMMERCIAL BANKS IN UASIN GISHU COUNTY KENYA

14%	10%	5%	8%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

ORIGINALITY REPORT

1	Submitted to University of Nairobi Student Paper	1%
2	Benson N. Leyian, Charles M. Rambo, Angeline Mulwa. "Influence of Project Team Knowledge Diversity on Implementation of Building Construction Projects. A Case of Kajiado County, Kenya, Africa", Journal of Sustainable Development, 2021 Publication	1%
3	erepository.uonbi.ac.ke Internet Source	1%
4	Submitted to Federal University of Agriculture, Abeokuta Student Paper	1%
5	Submitted to Kenyatta University Student Paper	1%
6	Submitted to Masinde Muliro University of Science and Technology Student Paper	1%
7	www.researchgate.net Internet Source	