

EFFECT OF NEGOTIATION STRATEGY ON THE PERFORMANCE OF COMMERCIAL BANKS IN KENYA

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ABSTRACT

The study focused on determine the influence of negotiation strategy on the performance of commercial banks in Kenya. The financial sector is undergoing transformations in order to serve the needs of its clients owing to the existing global environmental dynamism in which the industry is operating in. The sector has been dogged with serious challenges in attempt to manage change in relation to its performance. Negotiation strategy is intended to help government's planners and banks deal with and adapt to their changing internal and external circumstances. The study population comprised of the 43 commercial banks in Kenya which were in operation during the six-year period of the study that is from 2011 to 2016 chosen using census method. The target population was 436 Bank employees from the commercial banks with a sample population of 272 bank employees of various cadres being selected using the method of stratified random sampling. A descriptive research design was adopted and a positivist paradigm guided the study. Primary data was collected with use of structured questionnaires from employees of commercial banks. The data was analyzed using descriptive statistics of mode, median, mean, standard deviation. The study findings revealed that negotiation strategy had a significant and positive influence on performance of commercial banks in Kenya. These findings put forward that there is need for researchers to adopt and implement appropriate negotiation strategy in order to improve performance of commercial banks. The study recommends further research on other factors that may have an influence on the performance of commercial banks.

Keywords: Negotiation Strategy, Performance, Commercial Banks.