

YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF COMMERCE
MASTER OF BANKING AND FINANCE PROGRAMME

FACTORS INFLUENCING STRATEGY
IMPLEMENTATION OF MYANMAR ORIENTAL
BANK

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(MBF DAY – 1st Batch)

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ABSTRACT

This study aims to identify the current use of the strategy at MOB and explore the influencing factors on implementing the strategy. To do this, primary data is used in this study and the period of the study is used from 2014 to 2018. Structured questionnaires are used for exploring strategies used in MOB, implementing them and effect of implementation MOB. In the process of sampling 90 managerial level employees were randomly selected from total of 133 employees from 15 branches of MOB in Yangon and it covers 60% of the total population. Personal interview method is applied to collect primary data from sampled respondents. The chosen respondents who have been working in MOB bank were requested to complete the questionnaires. Secondary data are collected from five-year annual reports of Myanmar Oriental Bank. It found that cost leadership strategy is applied in MOB. As regards of influencing factors on strategy implementation, it shows that two influencing factors are significant relation on strategy implementation. When the implementation of cost leadership strategy in MOB, influencing the proper leadership style and resource allocation. But competence affect is not very importance for implementing the strategy of MOB. As a result, leadership style and resource allocation are key determinants of strategy implementation used by MOB bank. Therefore, it is recommended that the MOB bank should use good leadership style and resource allocation to meet implement to strategy. But staff competence is important for service business like banks for satisfying customers. Therefore, the MOB should train staff to be more customer-friendly and competence for satisfying customers.

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CHAPTER I

INTRODUCTION

The contemporary globalized business environment is not only complex but also very dynamic. Consequently, today's business organizations need to possess through knowledge of the environment in which they operate, to be able to respond appropriately to the environmental dynamics and to formulate strong and effective strategies aimed at short-term success and long-term survival and growth.

The banking industry likewise is facing the challenges of the complex and dynamic nature its environment. With the modern technology global financial liberalizations and innovations, the banking sector has advanced enormously. However, the inevitable environmental changes pose various risks and threats in the operations of individual banks. Hence, the banks need strong and effective strategies to cope performance within the bounds of the contemporary financial sector.

Accordingly, most of the businesses today have set of short-term and long-term objectives and strategies to get them. Also banking sector like other business sectors the various objectives and strategies are used to compete within their industry. Business strategy defines the manner in which companies compete in a specific industry or market (Walker, Ruekert 1987). The strategy of an organization is the outline of the way it aims to pursue its goal within the constraints of its environment. A strategy is considered to be effective if it results in sustainable competitive advantage for the organization resulting in superior performance. The essence of formulating strategies is choosing whether the firm will perform different activities than it is competitor or will execute activities more efficiently than its competitor do.

Although the most of the banks have objectives and strategies, they can not successfully implement due to the different reasons. Successfully implementation of strategies is vital for any organization, either public or private. Strategy implementation is the process that turns strategies and plans into actions in order to accomplish an organization strategic objectives and goals. (Ansoff, 1999) This process includes the various management activities that are necessary to put strategy in motion, institute strategic controls that monitor progress, and ultimately achieve organizational goals.

Strategy implementation is the process of allocating resources to support the chosen strategies. According to the Raps and Kauffman (2005), the implementation process covers the entire managerial activities including such matters as motivation, compensation, management appraisal, and control process which entail cascading strategy to all functional areas in such a way as to achieve both vertical and horizontal logic and enhance implementation policies.

Without implementation of organizational strategies, even the most superior strategies are useless. Therefore, all businesses have to set achievable but challenge objectives and appropriate strategies. If the strong objectives and strategies were set but weak in implementation of strategies the business will not survive in long term.

1.1 Rationale of the Study

The banking sector in Myanmar is one of the fastest growing sectors within financial institutions. According to various reform procedures, the banking sector is reforms in structural changes and also encouraged foreign banks to enter and expand their operations in countries. Within a short period of time, private banks have pioneered many changes in the banking system bringing to higher standards of customer service. It is crucial for banks to consider and act strategically to such changing and developing environment in order to gain competitive advantage and trust from the customers.

Therefore, the setting objectives and strategies of a manager have become a successfully entrenched skill in banking sector. The formulating strategies and implementing them are founding banking sector of Myanmar. Most of the banks are good in running business today. But this is not sure for the results of good formulating strategies or successfully implementation because transforming strategies into actions is a far more complex and difficult task. The several organizations have difficulties in implementing their strategies for many reasons such as weak of management, lack of communication among the organization members, lacking the commitment to the strategies of organization and poor sharing knowledge and coordination. When a business cannot well implement its strategies the performance of this business will be poor. According to above, this study intent to identify which strategies used in the MOB, and explore the effect of implementation of strategies of bank.

1-2 Objectives of the Study

The objectives of this study are as follows;

- (1) To identify the business level strategies used in Myanmar Oriental Bank
- (2) To analyze the factors influencing strategy implementation of Myanmar Oriental Bank.

1.3 Scope and Method of the Study

This study is mainly used descriptive method. This study focuses mainly on the uses of strategies, implementing them of Myanmar Oriental Bank in Myanmar and effect of implementation on performance. Primary data is used in this study. Structured questionnaires are used for exploring strategies used in MOB, implementing them and effect of implementation of strategy in MOB. In the process of sampling 90 managerial level employees were randomly selected from total of 133 employees from 15 branches of MOB in Yangon and it covers 60% of the total population. Personal interview method is applied to collect primary data from sampled respondents. The chosen respondents who have been working in MOB bank were requested to complete the questionnaires. Besides, text books, relevant internet web-site and the related papers that have been written are used.

1.4 Organization of the Study

This paper is organized by five chapters. Chapter One contains introduction, rationale of the study, objectives of the study, scope and method of the study, and organization of the study. Chapter Two includes theoretical background of the study. Chapter Three mainly describes background information of Myanmar Oriental Bank and analysis of influencing factors that effect on strategy implementation is described in Chapter four. Finally, the last Chapter is conclusion showing findings, recommendations and suggestion and the need for further study.

CHAPTER II

LITERITURE REVIEW

This chapter presents concept of strategy, types of strategy, strategy implementation process, importance and effectiveness of strategy implementation and factors influencing strategy implementation.

2.1 Concept of Strategy

Strategy can be defined using the five Ps: plan, pattern, position, perspective and ploy. (Mintzberg *et al.*, 1998), He said that managers differentiate strategy and pattern by having strategy as a pattern which is retrospective and strategy as a plan which is looking forward. He concluded that if the two are combined, with definite analysis of the internal and external process this would define strategy.

It was developed in 1980 by Michael Porter and it was classified under Generic Strategies. Porter is known for “Porters Hypothesis”, “Porters five forces ” and “Porters Four Corner Model.” Porter wrote that the generic strategy, whichever the company chooses, reflects the choices made regarding both the type of competitive advantages and the scope. Michael Porter classified those Types of Business Strategies; there are Cost leadership, differentiation, and Focus Strategies.

Porter recommended that any business firm can use only one strategy at a time and using multiple strategies is not advisable and would lead to the ultimate failure of product or firm in the market. The types of business strategies being used will depend on short and long term goals, target market industry and competition of the firm. The success of these strategies will obviously depend if the firm is able to draw above industry profit margin while being the market leaders.

2.2 Types of Strategy

According to Michael Porter, there are three types of strategy: cost leadership strategies, differentiation strategies and focus strategies in an organization.

2.2.1 Cost Leadership Strategies

Cost Leadership Strategy is that the firm prices its product at the lowest possible cost, in order to penetrate and/or sustain its position of leadership. The most of the people likes the cost-conscious product. In other words, the price-sensitive class of customers is the target segment of the firm and all the business activities are planned accordingly, right from procurement of raw materials to distribution and marketing.

In company's point of view, it would be to keep the costs low so that the final product is priced accordingly while keeping the profit margins undisturbed. One way to achieve this is to reduce operating costs by achieving economic of scale, do a mass production by overusing the assets and maintaining a control over value chain like volume buying to reduce procurement costs.

Standardize the product and achieve a humungous output can be reduced costs. Overuse of assets will cause the spread fixed costs over the products, therefore, achieving economic of scale and reducing per unit cost. This is a means and the end result to achieve a low cost of production and in turn, achieving cost differentiation.

The cost leadership strategy can be utilized by large firms and market leaders but not by new firms which are small or medium scale. According to apply this strategy, there is risk of customer retentions, if a competitor launches product priced even lower, the possibility of customer retention nullifies. Also increasing costs and economic fluctuation can seriously affect the firm. Besides, pricing is the product below industry average while maintaining the quality cannot be possible with every firm.

2.2.2 Differentiation Strategies

When the product is differentiated with its unique feature or unique selling point (USP) in order to compete and win effectively, that is known as the differentiation strategy. Differentiate product or service may cost and offer to customers on a higher price (usually niche market). It is a Type of Business Strategy used by Apple, a company that promises differentiated products to its customers.

This strategy is exactly opposite of Cost Strategy, whereby here the target audience is far from being price sensitive, rather they are quality conscious or quality focused and they wouldn't mind paying extra if its something unique they are getting which helps differentiate them along with the product.

In the case of differentiation, the initial costs are way above industry average since the offering is unique which includes more patents, IPRs and there are less or no competitors and hence the pricing is premium. Unlike Cost Leadership Strategy, in case of differentiation, customer loyalty is very high, just as profit levels and this forms an advantage. This also involves high cost of production per unit but it can be easily recovered from the above average pricing of the product. Unlike Cost leadership, many organizations can follow this strategy with their unique offerings.

2.2.3 Focus Strategies

This strategy is applied only for a selected audience of the small market with specialized needs. The target market has unique needs and it is to cater these needs that firms focus on. It is up to the firm to charge the premium or keep it below average for these products. Usually, the firm to implement this strategy would choose the target market with low or no competitors and with the aim to achieve competitive advantage. It is one of the strongest types of business strategies because it has a definite demand in the market. This strategy should target market segments that are less vulnerable to substitutes or where a competition is weakest to earn the above average return on investment.

Focus type of business strategies is divided into two parts: focused cost strategy and focused differentiation strategy. In cost focused, the prices are tailored for the particular need to cater specific group of people. This doesn't mean the prices are lower; on the contrary, the prices may be higher. For example, Chrysler vehicles has cars for regular people as well as for handicapped audience tailor made according to their needs

2.3 Factors Influencing Strategy Implementation

Strategy implementation involves the organization of funds and ensuring staff motivation in order to achieve the set objectives of the process and key performance indicators (KPIs) outlined in the strategic plan. According to Atkinson (2006), less than 50% of strategy implementation efforts succeed and Bell, Dean, and Gottschalk (2010), explain that such is the case because of the numerous hurdles firms' face during strategy execution. While strategy formulation is theoretical, involving putting down the ideas of a strategy, the implementation process is the ultimate key driver of the Strategic management (Cater & Pucko, 2010).

Zaribaf and Bayrami (2010) deduced that many of the large financial institutions have experienced problems in the strategy implementation; this is because of the complex nature of the process. Strategy implementation not only require top management participation but the whole organization and sometimes parties outside the corporation. Rajasekar (2014) highlights that while formulating a strategy is a top-down affair, the implementation requires both top-down and bottom-up activities.

2.3.1 Leadership Style and Strategy Implementation

Leadership may be a social influence method during which the leader seeks the voluntary participation of subordinates in an endeavor to succeed in organization goals. A leader may be outlined as someone who delegates or influencing others to act to hold out specified objectives (Bunmi, 2007). Today's organizations would like effective leaders who perceive the complexities of the speedily dynamic international surroundings. If the task is very structured and therefore the leader has smart relationship with the staff, effectiveness is going to be high on the part of the workers. The study additionally discovered that democratic leaders take guardianship to involve all members of the team in discussion and might work with a small and extremely driven team (Mullins, 2004).

Barchiesi and La Bella (2007) measured the leadership effectiveness and leadership role and its influence on performance, leadership behaviors, and attitudes. They found that prime leadership indexes do not seem to be associated with past performance records however, it is associated to higher potentiality of increased performance and to higher name of organizations, pointing within the direction of a meaningful influence of activity complexness and dynamics on the leadership perceived level. Chung, Sue and guan (2009) identified that leadership trend will have an effect on structure commitment and work satisfaction positively and the other way around.

Murray (2007) states that leadership is culturally oriented clench ancient beliefs, norms, values, and a preoccupation. In step with Goh, Sheng and Geoffrey (2005) study, the leaders immediate and family unit, social group and tribe considerably influence leadership vogue. This study notices the linkages between structure leadership and business ethics, thereby creating a contribution toward increasing the standard of structure life which can have a positive influence on each members of the organization and therefore the wider community.

Effective leadership involves restructuring firms design in a manner that motivates staff with the relevant knowledge to initiate value-enhancing proposals (Dubrin, 2015). In addition, Drucker (2013) captures an environmental scanning analysis that depicts leadership as that avenue that ought to not only manage individuals but also incorporate strategic leadership, which ensure that values and culture inside a company are applicable for satisfying key success factors, this should result in environmental-value-resources (EV-R) congruity.

In line with Keter (2015), lacking commitment of senior executives leaves the participants feeling misled. Commitment to the strategic direction may be a necessity for

strategy implementation. Therefore, senior managers need to show their dedication and commitment to the agenda. To implement strategy with success, senior executives should not assume that lower level managers have an equivalent perception of the strategic arrangement, its implementation, its underlying explanation, and its urgency. Instead, the executives should persuade or diffuse to the staff the validity of their ideas. Kaplan and Norton (2005) argue that direct commitment by leaders embody an adherence to the complete and thorough method of strategic designing that should culminate in implementing programs and services. In addition, they should commit resources to satisfy the objectives of the strategic arrangement at a level that is accomplishable for the organization.

The task of a supervisor is not to solely command but also to steer workers. The effectiveness of leaders to steer a company depends on how they handle the staff because it affects their motivation (Linda & Henry Martyn Robert, 2002). Therefore, it is crucial for managers to influence, assist and support the employees' plans, proposals and even inspire them to execute their own decision and ideas. Workers could show signs of commitment to their leader as an expression of happiness prior to receiving support by their employer (Selma, 2011). In a very similar study, it was found that there is a positive relationship between structure commitment with the end result measures of supervisory trust, job involvement, and job satisfaction that ultimately increase trust in the leaders (Yafang, 2011).

In this regard, Su and Ming (2007) highlighted that leadership style plays a vital role in influencing structure effectiveness and efficiencies that have an effect on the employees' structure commitment. Therefore, it is probably that leadership vogue could have its own important result on structure commitment. Leaders carry a vital role in a company on aiding the employees' commitment in finishing their daily tasks within the organization. Thus, it's crucial for leaders to grasp their employees' wants, as they'll have an effect on the organizational commitment directly or indirectly.

Kuratko, Covin and Hornsby (2014) indicate that only 50% of the strategies formulated get implemented and this has been attributed to the lack of leadership skills. Leaders decide what to do and how to do it in respect to the organization to ensure effectiveness, and it is the obligation of the leadership to forecast the need of organization and try to establish an effective plan to meet the set requirement (Maccoby, 2013). It is generally expected that a leader need to be aware of the method, the way, and the most reliable approach. Generally, leaders introduce the requirement for amendment within the

organization by an analysis of organization's internal and external setting. Once they offer the vision, the next step is to formulate the road map or strategy to achieve that vision by providing the way and directing the people towards change. To do so leaders can use motivational tools (Ahearne, Lam, & Kraus, 2014).

Azhar et.al (2013) deduce that for effective implementation, a leader must introduce the requirements of amendment which will solely be attainable by making such a culture that integrates the strategic and operational activities. In keeping with Schaap (2012), once the culture has been fully developed the whole strategy formulation and implementation procedure would be made easy. In strategic management, a leader performs the various roles and Mintzberg (2010) narrates that it creates the leadership team by selecting key players from the firm by breaking down the hierarchy and creates an evaluation system that evaluates the strategy at every stage of the work within the organization. Finally, it helps to change the culture which facilitates the strategic management (Davis, 2012). Organization's performance relies upon the strategies applied to achieve company's vision. Leadership conforms the strategy to the vision in order to develop the capability of the firm to perform as per the need. Today's dynamic business environment enables leaders to try adopt a flexible process to ensure awareness of the firm towards alteration (Worley & Doolen, 2015).

2.3.2 Competence Effect and Strategy Implementation

Strategy implementation is a task that involves all cadres in the firm, while management are in charge of formulation, all employees are tasked with the implementation process. Human resource is tasked with the responsibility to recruit competent employees as well as continuously undertake talent development in order to respond to the turbulent environment. This section will not only seek to look at staff competence influence on strategy implementation but also the influencing factors of staff competence on strategy implementation. Thus the section focus on human resource, recruitment and selection, and talent development as factors affecting competence and strategy implementation in the financial sector.

Human Resource is a crucial component for an efficient strategy implementation, additionally, the employment of HRM Practices are ready to inspire workers and increase strategy implementation in a company. So, to establish the importance of the relationship Rebecca (2012) noted that relations between workers and their supervisors enhanced strategy implementation in university of Oklahoma. Despite the benefits of this cordial

relationship a study done by Kill (2000) established that employees in a company occasionally resists modification proposals thus hindering strategy implementation. This could cause procrastination, delays in modification, unforeseen implementation delays, and inefficiencies, lack of commitment, absence, and poor performance. It was suggested that a company resolve these issues by having human resource procedures that are joined to business ways therefore easier strategy implementation.

According to the Wheelen et al. (2015), the career cycle of executives has associate inverted or negative relationship between their tenure and the firm's financials. Previous studies have however failed to establish the particular skills and capabilities needed to execute the strategy. More focus is simply on higher management skills like leadership and also the specific leadership skills that are necessary to align the team and culture to execute strategy. Hrebiniak (2013) has outlined that organizations with developed capabilities or competencies that are in keeping with a selected strategy, would perform higher as compared to those organizations that are not able to realize the balance between strategy and capabilities.

According to Chetty and Stangl (2010), competence assessment results inform leadership regarding current and future talent capability. To be assessed as competent, the worker should demonstrate the flexibility and skill to perform a job's specific tasks. Gibbons and Roberts (2013) adds that information and analytics regarding employees' skills and information are essential for performance risk mitigation that leadership would preferably be blind to. Superior organizations notice that firm's success depends on how capable their employees are. Herzberg, Mausner, and Snyderman (2011) acknowledge that formal training doesn't essentially equip workers with the acceptable skills to thrive within the geographic point. This can be wherever competence, management and competency-based development comes in. They add that competence-based development is formed around the competency standards that are known for a role in a corporation.

In any organization, the staff are the ones charged with the mandate of implementation of the strategy as such this section will give an in-depth analysis into employee competences and strategy implementation, challenges facing staff competences and the benefits of employee competences in strategy implementation (Elwak, 2014). The failure of a strategy may affect an organization negatively and these may include loss of external benefits such as proposed funds for strategy implementation, or internal benefits such as staff demotivation, and loss of competitive advantage or eventual failure of the organization (Elwak, 2014).

Banks possess resources and capabilities, which are superior to those of competitors, then as long as the firm adopts strategy that utilizes these resources, and capabilities effectively, it should be possible to establish Competitive advantage. Banks achieve it through strategic planning and management, which is a continuous process that evaluates, controls and examines the business, the competitors, and the industry at large and sets goals and strategies to overcome obstacles on their way to success (Roberto & Arocas, 2007).

2.3.3 Resource Allocation and Strategy Implementation

Strategy implementation challenges arise from sources that are internal and external to the organization. The challenges will depend on the type of strategy, the type of organization and prevailing circumstances. Many challenges can be avoided if strategy development is coupled with implementation (Musyoka, 2011). Previous studies established that the main inhibitors to the execution of strategies include execution taking more time than planned, lack of communication, lack of coordination and support from other levels of management, resistance from lower levels, lack of control systems and execution being viewed as a set of discrete isolated tasks. Wang, Lee and Chung (2009) provided a breakdown of total company expenditures that are utilized by major stages within the innovation method, and therefore the proportion spent on prospering versus failing ways. They concluded that prospering companies spent additional funds on the first stages of implementation. Okumus (2003) outlined that there ought to be a method of guaranteeing that all necessary time, monetary resources, skills and data are created on the market. Resources are closely joined with operational designing and features a pile of impact on communication and on providing training and remuneration.

CHAPTER III

PROFILE OF MYANMAR ORIENTAL BANK

This chapter presents the study on the strategy of Myanmar Oriental Bank (MOB). It consists of three sections. First section describes the banking sector in Myanmar, the second section discusses the profile of MOB bank, the third section explains the types of services provided by MOB bank.

3.1 Banking Sector in Myanmar

The study of banking sector in Myanmar is divided into four parts, history of banking industry in Myanmar, regulatory and supervisory framework, institutions and infrastructure, banks in Myanmar and financial conditions of the private banks in Myanmar.

3.1.1 History of Banking Industry in Myanmar

Myanmar's banking history dated back to the 19th century, when Myanmar was under the British colonial. The Indian Presidency Bank of Bengal opened its Yangon including domestic and foreign banks, developed quickly under the domestic government and accounted for at least one-third of Myanmar's GDP. However, after revolutionary council took over state power, all banks (ten domestic and 14 foreign) were nationalized in 1963.

The three waves of demonetization (1964, 1985 and 1987) were the severest blows to the growth of the national economics. The most recent demonetization of 1987 rendered 75% of currency in circulation worthless result of in a large part of the population being deprived of their savings.

New financial laws such as the Central Bank of Myanmar Law (CBML) and the Financial Institution of Myanmar Law (FIML) were promulgated in July 1990. Subsequently, the First Private Bank (FPB) licenses were issued in 1992.

In early 2003, the collapse of numerous Ponzi type institutions licensed by the Ministry of Cooperatives, which took advantage of a e=weak interest rate policy at that time, finally led to a banking, a financial and an economic crisis in Myanmar. Most service through the banks, including the payment of employees and business operation, stopped. Some private banks attempted to acquire liquidity by selling their properties and by recalling of loans. These measure in turn forced individuals and companies to sell assets and suspend or close down business operations to meet their loan obligations. As one of the consequences, a secondary market for frozen bank accounts emerged, which prices largely under face value. Trust in the banking and financial sector, already shaken by the waves demonetization had been severely affected by this banking crisis.

In order to regain public confidence, private banks put in significant effort to provide good customer services. Since the fiscal year 2006-2007 their efforts proved successful with loan and deposit portfolios growing steadily. Nevertheless, Myanmar's banking sector remains underdevelopment and the economy function are large on a cash basis.

3.1.2 Regulatory and Supervisory Framework

The Central Bank of Myanmar (CBM) is playing the role as regulator and supervisor of the banking sector. The legal framework for the banking sector has come under revision during the last three years. A new Foreign Exchange Management Law (August 2012) and a revised Central Bank of Myanmar Law (July 2013) were enacted and 2013 respectively 2012 and 2013 respectively. The key banking laws encompass the Financial Institutions of Myanmar Law and CBM rules and regulations which are currently under revision. Furthermore, in September 2014 CBM took the remaining key step of IMF Article VIII obligations, which is the issuance of a comprehensive set of regulations for the Foreign Exchange Management Law.

Enacted on July 11, 2013 the revised Central Bank of Myanmar Law (CBML) has far reaching consequences. It gives CBM the authority and responsibility to carry out all central banking functions including the independent implementation of the country's monetary policy and exchange rate policy. With the new law, the Central Bank is no longer under the control of Ministry of Finance but becomes an independent institution with its governor raised to the minister level. In order to ensure accountability and transparency, CBM is required to submit its report to the government as well as to the parliament at least twice a year and CBM's monetary report published quarterly.

The Financial Institutions of Myanmar Law (FIML) had been rewritten with the technical assistance of the World Bank. Under the new law, financial institutions are classified as commercial banks, development banks, non-bank financial institution and scheduled institution. The new law does not apply to scheduled institutions which are established under different laws. The new Financial Institution of Myanmar Law outlines various banking functions that need to be approved by the CBM before becoming effective. Furthermore, the FIML also requires the banks to meet key ratio and limits.

First, regarding the single exposure limit, no customer's borrowing should exceed 20% of core capital. Second, with regards to maintenance of reserve fund, at least 50% of the net profit every year must be transferred to the reserve fund until it reaches 50% of the total paid-up-capital, followed by the requirement of at least 25% of net profits to be

transferred until the reserve fund equals the total paid-up-capital. Third, the minimum liquidity ratio (liquid assets to current liabilities) is to be set by CBM (Currently 20%). Fourth, the minimum paid-up-capital is increased and set at MMK 20 billion for domestic banks and USD 75 million for foreign banks. Fifth, the minimum capital adequacy ratio is to be set by CBM (currently 10% of risk-weighted assets).

Apart from the audit requirements outlined in the FIML, the Myanmar legal and statutory framework for corporate financial reporting is based on the following laws, Myanmar Company Act (1988), Myanmar Accountancy Council Law (1994), and Auditor General of Union Law (2010) and its amendments.

The Financial Institutions Supervision Department within CBM is responsible for the supervision of the local and foreign banks. It issues necessary and conducts both on-site examination and off-site monitoring. The off-site monitoring consists of regular reporting daily, weekly, monthly, quarterly and annually from the banks to the supervision department. The on-site supervision is conducted on an annual basis and covers announced visit to the bank's headquarters and branches to assess their internal control systems, corporate governance, their financial data as well as measures of Anti-money Laundering and Combating of the Financing to Terrorism (AML/CFT) and other compliances. If a bank is not in line with CBM's prudential ratios and limits a penalty of one-fifth of 1% of the shortfall amount can be charged.

3.2 Background History of MOB

3.2.1 Establishment

The Myanmar Oriental Bank (MOB) was registered as a private company limited under the Myanmar Companies Act on April 7, 1993 and granted licensed to operate banking business on July 26, 1993. The bank commenced its banking operations on November 18, 1993, with an authorized capital of Kyat 10,000 million of which Kyat 68 million was Paid-up-Capital and since then, an authorized capital of Kyat 500,000 million divided into 5,000,000 Ordinary Shares of Kyat 10,000 each and initially only ordinary shares are issued of which the Paid-up-Capital Kyat 200,000 million as March, 2010. If two or more persons are registered as joint holders of any one of such person may give effectual receipts for any dividends or other moneys payable in respect of such shares.

MOB bank was incorporated as a private limited bank under the Financial Institutions of Myanmar Law and started its operations on 18 November 1993. Its founding

members were prominent bankers retired from state owned banks, family members holding the majority of shares, their close friends and relations from the business circle.

Over the past 25 years, the bank has played an important role with stability and success in domestic banking in Myanmar by contributing its efficient and reliable banking services to the promotion of financial intermediation in the country. The bank currently accepts foreign currencies (USD, EUR, THB and SGD) current, Myanmar kyat savings and fixed deposits within its present banking network of 47 branches across the country. In addition, the bank also provides banking facilities and other financial assistance to its customers such as commercial loans, trustee and remittance services.

Upon approval from the CBM, the bank was among the first few selected financial institutions that were allowed to operate foreign currencies dealing and international banking. It was among the first batch of six private banks to be permitted to open currency exchange counters in the country. The bank has now opened on 14 currency exchange counters in the commercial cities of Yangon, Mandalay, Mawlamyine, Monywa, Magwe and Pyay. Being a leading member bank in the Myanmar Payment Union (MPU), the bank has introduced ATM and POS, Debit Card facilities for the promotion of electronic payment system in the country. In regarding to overseas network, the bank at present has established correspondent banking relationship within 54 overseas banks worldwide. The bank has also signed a partnership agreement with Western Union of which customers could transfer funds through its affiliated network in more than 105 countries from/to the bank.

Apart from the core banking business, the bank has formed a subsidiary leasing company, namely the Oriental Leasing Company Limited (OLCL), which extends financial assistance to its customers in acquiring their household and other durable consumer items. The bank owns 99% of the company's share capital.

In foreseeing the future needs, the bank inked a Memorandum of Understanding (MOU) with the International Finance Corporation (IFC) on joining their Global Trade Finance Program (GTFP) of which has provided the bank with a USD 5 million trade finance facility and allow the bank to establish working partnerships with a vast member of major international banks through the GTFP bank network. In addition under the framework agreement, IFC is helping the bank to strengthen its corporate governance and improve its trade finance operations.

3.2.2 Objective

The objects for which the bank is established are as follows;

- To mobilize internal and external financial resources for investment in productive enterprises especially in the private sector.
- To provide short, medium, and long-term loan to credit-worthy enterprises.
- To open or establish branch or branches in suitable place or places in the Union of Myanmar and in any part of the world at an appropriate time as Board of Directors determine.

3.2.3 Vision

Vision of MOB bank are as follows,

- To be recognized as the bank of the first choice in Myanmar, reward for its banking prudence, sound customer relationship and quality customer service.
- To become the most admired banking services provider and trusted advisor to our customers in Myanmar.

3.2.4 Mission of MOB Bank

Mission of MOB bank are as follow;

- To promote financial intermediation in the country and thereby to accelerate the bank's prosperity.
- To provide customer service through quality services and products
- To employ the very best people who exceed customer expectations
- To maintain the highest ethical principles and excellence in regulatory compliance
- To show that we care and provide safe banking while earning a reasonable profit

3.2.5 Corporate Values of MOB Bank

Corporate values of MOB bank are as follow;

- Accountability
- Commitment
- Environmental protection
- Excellence performance
- Innovation
- Integrity
- Respect

- Teamwork

3.2.6 Branches

In conformity with the policy to open branches in area with prospects for economic development, bringing the bank's entire branch network and inclusive of the head office, there are now 47 branches. (Table 3.1 show location of MOB Head Office and Branches).

Branch Sr No	Branch Name	Address	Phone No	Fax Phone No
1	Shwebontha	No.394/396, Upper Shwebonthar Street, (8) Ward, Pabedan Town Ship, Yangon	(95-1)252642 (95-1)256206 (95-1)384741	(95-1)246945 (95-1)385109 (95-1)241043
2	Mandalay 84 Street	No.(590), 84th Street, Between 28th & 29th Street, Chan Aye Tharzan Township, Mandalay.	(95-2)33402 (95-2)34383 (95-2)23704	(95-2)32711 (95-2)39335 (95-2)24129
3	Lanmadaw	No.110, Phoneygi Street, Lanmadaw Township, Yangon	(95-1)2300892-3 (95-1)222975	(95-1)2300846-7 (95-1)2300891
4	Monywa	No.(20), Bogyoke Aung San Street, Yoneygi Street, Monywa	(95-71)26143 (95-71)23150	(95-71)22683 (95-71)22246
5	Latha	No.55, Latha Street, Latha Township, Yangon	(95-1) 371413	(95-1)385109 (95-1)382402
6	Pyay	No.40, Bogyoke Road, San Daw Ward, Pyay	(95-53)27785	(95-53)27784 (95-53)25553
7	Kamayut	No-62/A, Insein Road, San Yeik Nyein (5)St (2)Ward, Kamayut	(95-1)513213	(95-1)513214 (95-1)512351
8	Tarmwe	No.200/206, Setyone Street between 134 & 135, Tarmwe Township, Yangon	(95-1)202013-4	(95-1)202248 (95-1)290844 (95-1)291116
9	Myeik	No.112, Bogyoke Road, Sate Nge Ward, Myeik	(95-9)41005347 (95-9)8763094	(95-59)41901 (95-59)41879
10	Ahlone	No.(001), Thiri Mingalar Housing, Asia World Ground Floor, Strand Road, Ahlone Township, Yangon.	(95-1)2300849	(95-1)2300845 (95-1)2300848 (95-1)2300894-5
11	Mandalay 35th Street	No.(6) Room (22), Ground Floor, 35th Street, Conner of 35th & 82 Street, Chan Aye Tharzan Township, Mandalay.	(95-2)39441	(95-2)34280 (95-2)39442-3

Branch Sr No	Branch Name	Address	Phone No	Fax Phone No
12	Bayint Naung	No.(C/34), Aung Thapyae Street, Bayint Naung Pwel Yone Tan, Mayangone Township, Yangon	(95-1)528556 (95-1)681337	(95-1)682264 (95-1)680622 (95-1)528557
13	Taungoo	No.15/136, 6 th Street, Taungoo	(95-54)21961-2 (95-54)23969	(95-54)24621 (95-54)25107

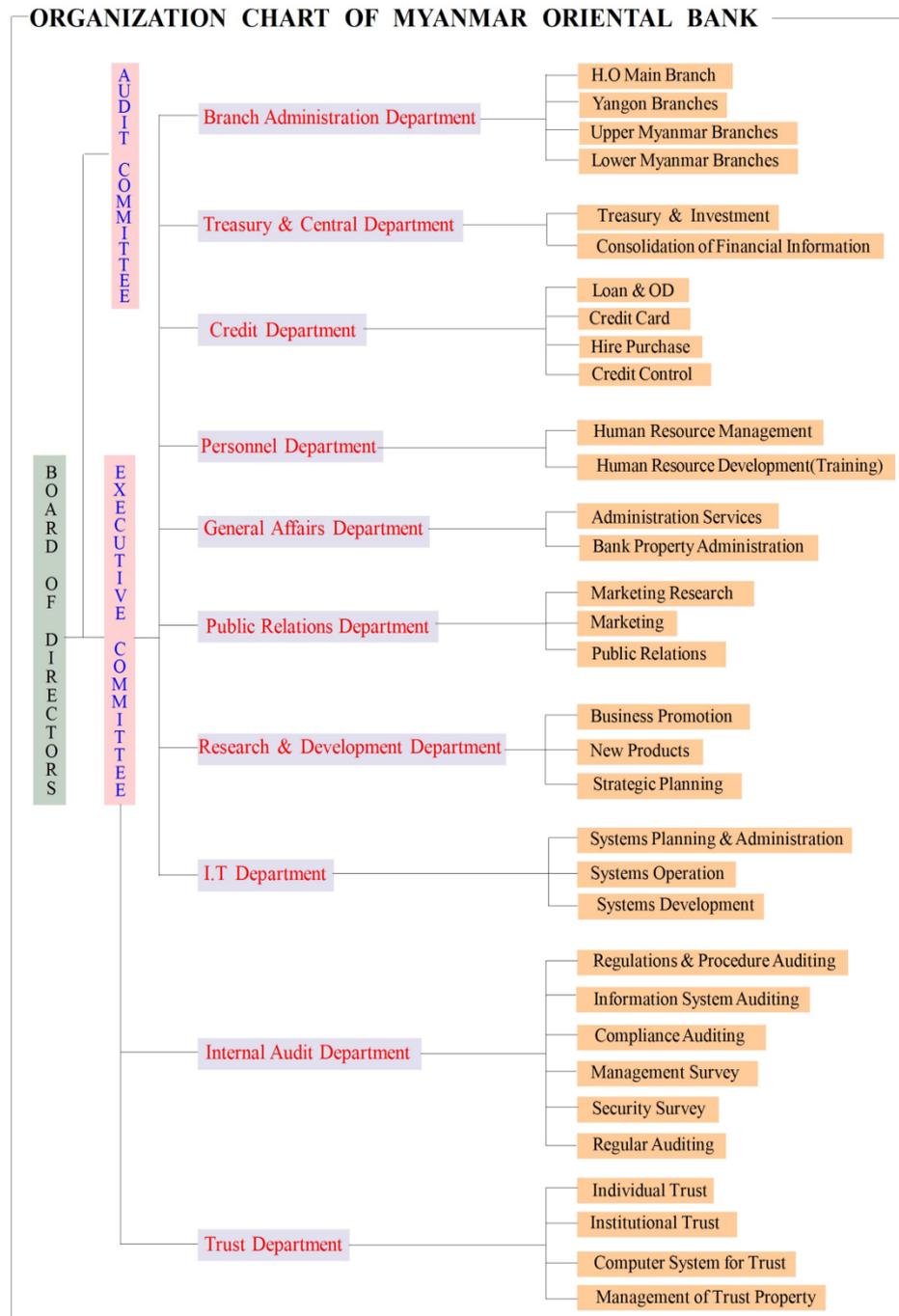
14	Pathein	No.(79), Ohnmar Danni Street, Ya,Ka.Ah (4) Ward, Hinthada.	(95-42)23728 (95-42)24556	(95-42)24554 (95-42)24557
15	Hinthada	No.(62), Old Hospital Road, North Garden Ward, Hinthada.	(95-44)21522 (95-44)21556 (95-44)22185	(95-44)22190-1
16	Magwe	No.(16), Pyi Taw Thar Street, Yan Way Yat, Magwe.	(95-63)25107	(95-63)24059 (95-63)24060 (95-63)24061
17	Mawlamyaing	No.(116), Extension Strand Road, Shwe Taung, Ward, Mawlamyaing.	(95-57)24080 (95-57)23347	(95-57)22901 (95-57)24091 (95-57)24081
18	Taungtwingyi	No.(150), Magwe Street, Ohn Taw Ward, Taungtwingyi.	(95-63)51113 (95-63)51117 (95-63)51110	(95-63)51109 (95-63)51112 (95-63)50766
19	Myan Aung	No.(15), Bawdipin Street, Ward 3, Myan Aung.	(95-44)50019 (95-44)50091	(95-44)50018 (95-44)50021 (95-44)50662-3
20	Nay Pyi Taw	No.(6), Bago Street, Zawana Thatedi Ward, Oaktara Thiri Township, Nay Pyi Taw	(95-67)417284-5	(95-67)417286-7
21	Myaung Mya	No.(11/B), U Ba Cho Street, Ward 2, Myaung Mya.	(95-42)70547-8 (95-42)71117	(95-42)70545-6
22	Ye-U	No.(5/A), Zay Thit, U Paing (23/B), Aung Chan Thar Ward, Ye-U	(95-75)40131 (95-75)40512	
23	Dawei	No.(70), Kanna Road, Harbour Quarter, Dawei Township.	(95-59)23614-5	(95-59)23611-3
24	Diamond Plaza Mini	No.(23/24), Diamond Plaza First Floor, 78th Steet, Between (33*34), Chan Aye Tharzan Township, Mandalay.	(95-2)643298	(95-2)6932881
25	Bagan	No.(52), Cherry Street, KyansitThar Quarter, BaganMyothit	(95-61)65218(95-61)65463(95-61)65466-7	(95-61)65464-5
26	Naypyitaw Myo Ma Zay	Pwe Yon Stall No (Pa-241), Myomazay, Zabuthiri Township, Naypyitaw.	(95-67)422665 (95-67)442667	(95-67)442668-9
27	Einme	No.(110), MyaKhwar Nyo Street, Upper Quarter, Einme Township.	(95-42)85218 (95-42)85757	(95-42)85755 (95-42)85758
28	North Okkalapa	Room No.(F1/F2), Thiriyadanarzay, (Hta) Toe Chae Quarter, North Okkalapa Township.	(95-1)9691760 (95-1)9691766	(95-1)9692275 (95-1)9691940

Branch Sr No	Branch Name	Address	Phone No	Fax Phone No
29	Wetlet	Bo Yaing Street, No.(1), Campus, Mingalar Quarter, Wetlet Township.	(95-75)30068 (95-75)30442 (95-75)30045	
30	Paungde	No.(36), (9)Street, Zay(1) Quarter, Paungde Township, Pyay District, Bago Region.	(95-53)39090 (95-53)39093	(95-53)39091-2

31	Muse Branch	Square (35), East Zay Quarter, Zay Quarter, Muse Township.	(95-82)51954 (95-82)51290	(95-82)51588 (95-82)51962
32	Okshikpin	Square (26/1), Lanmadaw Street, No.(11/A), Pantaung Township.	(95-53)52003-4 (95-53)42001	(95-53)42003-4
33	Minhla	Square(309/A), Tarbaungyi Street, No.(6) Quarter, Minhla Township.	(95-65)45631-2	(95-65)45266
34	Bogyoke Aung San Zay	No.(183), Bogyoke Aung San Market (East), Dagon Township, Yangon	(95-1)375425	(95-1)375427
35	Hpa-an	No.(2), Bogyoke Street, No.(3) Quarter, Hpa-an Township.	(95-58)22738-9 (95-58)22740 (95-1)513214	
36	North Dagon	No.855, At the Corner of Pinlon Street & Kyaung Street, 36 Quarter, North Dagon	(95-1)582339 (95-1)580569 (95-1)580773	
37	Nga Thaing Gyaung	No.36, Lanmadaw Street, Myoma Ward, Ngathainggyaung.	(95-46)60624 (95-46)60625 (95-46)60626	
38	Pyin Oo Lwin	Flat No.B-5, Kha/Ga, YetKwetGyi(10), Padaetha Myothit Between Yadanar Street and Nawarat Street, Pyin Oo Lwin.	(95-85)29563 (95-85)29495 (95-85)29242	
39	Kyaung Gone	No.16, Bayint Naung Street, No.2 Ward, Kyaung Gone.	(95-46)2240405 (95-46)2240406	
40	Bago	No.336-A, Shwemawdaw Pagoda Road, ShinSawPu Ward, Bago.	(95-52)2201296 (95-52)2201297	
41	Hlaing Tharyar	No.(405/406), Building 4, Aung Myay Tharyar Pagoda Compoung, Kyan Sit Thar Street, Hlaing Tharyar Township, Yangon	(95-1)9648163-5	
42	Pulaw	No.(37), Bogyoke Street, 2 Ward, Pulaw.	(95-59)30267-9	
43	Sinmalite	No-34,Groud Floor,Bayintnaung St,No(4) Ward Kamayut Township ,Yangon.	(95-1)539185 (95-1)539809	(95-1)500691
44	Maydarwe	No-127,Ground Floor,Maydarwe St,(Sa Lein) Qtr, North Okkalarpa,Yangon.	09-893248775 09 -893249511	(95-1)9691158 (95-1)9690457
45	South Okkalar	No-745,Mingalar St,12 Qtr,South Okkalarpa Yangon	09-898986630 09-898986640	(95-1)579757 (95-1)579798

3.3 Organization Chart – MOB organization chart was included board of director, executive committee, audit committee and ten head of departments. It was included in the 27 shareholders and 11 directors to be monitoring of the banking operations by it as shown in Figure 3.1.

Figure 3.1



Source: Myanmar Oriental Bank

The member of Directors was not less than eleven or more than fifteen including the Chairman. A Chairman was elected by the Directors for such periods as the Board may determine.

The Chairman who devoted his full attention to the affairs of the bank shall receive from the bank such salary and allowances and be subject to such terms and conditions of services as must be determined by the Board. Save as otherwise provided in the regulations made by the Board under section on the General Power of the Directors, such as Chairman have full powers to transact all the businesses of the Bank which may be transacted by the board. The Directors were to be elected by the shareholders at the Annual General Meeting.

The Directors have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Any Director so appointed hold office only until the next General Meeting to be held and be eligible for re-election, but not be taken into account in determining the number of Directors who are to retire by rotation at such meeting. As a Private Limited Company (PLC), a Director was not required to hold any qualification share or shares in the company. There are ten departments. Each department has their respective duties as mentioned in Figure 3.1.

3.4 Types of Services Provided by MOB Bank

Operating under the uniform regulations of CBM, there is little variation in the range of products offered by the MOB bank. The MOB banking products currently offered by the private commercial banks in this study are listed under twelve different categories. Deposits, Card Services, Remittance, Loans, International Banking Services, Trustee Service, Utility Bill Service, Payment Order, Internal Draft & Cheque Purchase, Certified Cheque, Meter Service Township, M-Banking.

MOB bank currently offers five type of deposits (Current deposit, Saving deposit, Fixed deposit, Call deposit and UESS deposit) and two types of one-year short term loans (business loan and SME loan). For loans, all private commercial banks are required to follow the Central Bank of Myanmar policy on collateral and non-collateral. Currently, CBM policy allows private banks to accept immoveable property (land and Building), government treasury bonds, saving deposits and pledge as collateral to secure the loan.

Since MOB bank products are homogeneous, differentiation is not very common in basic banking products such as loan, deposit and remittance. The study formed that privet banks differentiate their products offerings in two ways. One is the widening the range of product and services package (i.e adding special services) and Two is the distinguishing service quality attribute from that of competitor. Generally, product differentiation is mainly on online banking services, mobile payment services, Card and payment services and other products offering such as business consultation and trustee services.

CHAPTER IV
ANALYSIS OF THE INFLUENCING FACTOR ON STRATEGY
IMPLEMENTATION OF MOB BANK

This chapter includes five parts. They are research method, the demographic factors of respondents; determine which type of strategy is mostly used in MOB bank, assessment of reliability scale and effect of influencing factor on strategy implementation of MOB bank. Finally, it is trying to find out which type of strategy used is mostly used in MOB out of there strategy namely cost leadership strategy, differentiation strategy and focus. Then, effect of three influencing factor on strategy implication namely leadership style, competence affect, and resource allocation is mainly focuses in this study.

4.1 Research Method

This study investigates to identify the commonly current usages among the three type of strategy at MOB and the effect of three influencing factor on strategy implication of MOB. To achieve the objectives, the following methods will be compromised. The exploratory research approach will be conducted. To support this analysing, the required data were collected through sample survey. As a survey instrument, a structure questionnaire was used. The questionnaires instrument includes six parts.

The first parts include demographic characteristics of respondents who are working of managerial level in MOB. This section includes respondent gender, age, and highest level of education, position in the organization, working experience, and number of employees in their branch/department. The second part mainly focused on question pertaining to the analysis on type of strategy used in MOB. It included three type of strategy namely cost leadership strategy, differentiation strategy and focus. The third parts mainly efforts the question concerning to the leadership style and the fourth part of the question is competence effect of strategy implementation. In the fifth part of the questionnaires' is concerning about the resource allocation that effect on strategy implementation. The last parts mainly analyze the question regarding the strategy implementation of MOB. All section excluding the section one, all of the questionnaires are constructed with 5-point Likert scales raining from 1 (strongly disagree), 2 (disagree), 3 (Neutral), 4 (agree), and 5 (strongly agree) to determine employees perception on each statement.

As a sampling method, the simple random sampling (SRS) method was used in this study. In the process of sampling 90 managerial level employees were randomly selected from 15 branches of MOB in Yangon and it covers 60 of the total population. Personal interview method is applied to collect primary data from sampled respondents. The chosen respondents who have been working in MOB bank were requested to complete the

questionnaires. All 90 employees kindly responded to the questionnaires. After collecting the required data, the data were analyzed by using the SPSS (the statistical package for social science) software of version 22.

As a statistical method, frequency and descriptive analysis, Cronbach's alpha for assessment of reliability, and correlation and regression analysis for assessment the research objective are mainly used in this paper.

4.2 Demographic Characteristic of Respondents

This section covers the demographic and background characteristics of respondents are presented in this study. In this section, data on demographic characteristics such as gender, age, and highest level of education, position in the organization, working experience, and number of employees in their branch/department are presented based on survey data. All the data obtained from the questioners collected are interpreted and summarized in frequency distribution and percentage distribution.

4.2.1 Number of Respondents by Gender

Number of respondents by gender was classified as in Table (4.1).

Table (4.1)
Number of Respondents by Gender

Gender	Frequency	Percent
Male	37	41.1
Female	53	58.9
Total	90	100.0

Source: Survey Results, 2019

According to the Table (4.1),41.1% of the respondents are males while 58.9% are females. Therefore, female respondent are more than male respondents through survey results.

4.2.2 Number of Respondents by Age Group

The age groups of respondents are divided into five groups. They are student age between 18 to 23 years, age between 24 to 29 years, age between 30 to 35 years, age between 35 to 40 years and age over 41 years. The numbers of respondents according to

each group are shown in Table (4.2) and Figure (4.2). Depending on age level, the employee's behaviour and perception may differ.

Table (4.2)
Number of Respondents by Age Group (in year)

Age (in year)	Frequency	Percent
20 – 29	42	46.7
30 – 39	28	31.1
40 – 49	15	16.7
50 and above	5	5.6
Total	90	100.0

Source: Survey Results, 2019

According to Table (4.2), it was found that majority of respondents are age between 20 and 29 years which is 46.7% of the total respondents. The remaining; age between 30 to 39 are 31.1%, 40 to 49 are about 16.7%, and remaining 5.6% are 50 years and above.

4.2.3 Number of Respondents by Highest Level of Education

Highest level of Education is also an influential factor on respondent's strategy implementation. Education levels of respondents are divided into three groups: diploma, degree and mater and it is described in Table (4.3).

Table (4.3)
Number of Respondents by Education Level

Education Level	Frequency	Percentage
Diploma	7	7.8
Degree	66	73.3
Master	17	18.9
Total	90	100.0

Source: Survey Results, 2019

According to Table (4.3), it is found that majority of respondents are graduate level with 73.3% of the total respondents. Among the remaining, about 18.9% are master level and remaining 7.8% are diploma.

4.2.4 Number of Respondents by Position

Respondent's positions in MOB bank for current survey are classified by three categories. They are head of department, manager and assistant manager. Results are shown in the following Table (4.4).

Table (4.4)
Position

Position	Frequency	Percentage
Head of Department	14	15.6
Manager	13	14.4
Assistant Manager	63	70.0
Total	90	100.0

Source: Survey Results, 2019

As commonly found, the majority of respondents are assistant manager with 70%, following 15.6% are head of department and 14.4% are manager.

4.2.5 Number of Respondents by Working Experience

In this study, the working experiences are divided by three group less than three years of experiences, between three and six years of experiences and seven and above years of experience. When the selected employees are asked about years of experience in their organization, results are shown in the following Table (4.5).

Table (4.5)

Number of Respondents by Working Experience

Years of Experience	Frequency	Percent
Less than three	34	37.8
3 – 6 years	30	33.3
7 years and above	26	28.9
Total	90	100.0

Source: Surveyed Data, 2019

As a result, 37.8% of the respondents have less than three years of experience, followed by 33.3% of the respondents have between three to six years of experience and remaining 28.9% of the respondents have 7 years and above. Therefore, most of the respondents in MOB in this survey have less than three years of experiences.

4.2.6 Number of Respondents by Size of Employee

In this study, three groups divide the size of employee in their department such as between 10 to 15, between 16 to 25 and over 26 people. When the selected employees are asked about employee size in their organization or department, results are shown in the following Table (4.6).

Table (4.6)

Number of Respondents by Size of Employee

Size of Employee	Frequency	Percent
10 – 15	13	14.4
16 – 25	42	46.7
Over 25	35	38.9
Total	90	100.0

Source: Surveyed Data, 2019

As a result, 14.4% of the respondents have between 10 to 15 employees in their department or branches, followed by 46.7% of the respondents have between 16 to 25 employees in their department or branch and remaining 38.9% of the respondents have over 25 years of employee.

4.3 Analysis of Strategies Used by MOB

This subsection discusses the strategies used by MOB in Yangon. In order to purpose of evaluating the strategy used in MOB, objective one in this paper, three type of strategies are studied in this section. They are cost leadership strategy, differentiation strategy and focus. In order to carry out the quantitative analysis, these three strategy are measures the statement. Each statement for employee agreement level is measured on five-point Likert scale (1: strongly disagree, 2: disagree, 3: neutral, 4: agree, and 5: strongly agree). The response of managerial level employees to Likert scale items of 1 to 5 are summarized using the mean value. Since each statement is measured with five point Likert scale, the minimum, the middle, and the maximum value of mean scores is 1, 3, and 5. Thus, if means score is higher than 3, it can be assumed that employees are agreed while if the mean score is lower than 3, it can be assumed that employees are not agreed.

4.3.1 Cost Leadership Strategy

Cost leadership is a strategy companies use to increase efficiencies and reduce production costs below the industry average or their closest competitor. Regarding the employee's agreement level on cost leadership strategy, five statements are measured by 5-point Likert scale. Average score and their related standard deviation were calculating for cost leadership strategy in this section. The mean value and standard deviation of each statement in cost leadership strategy are shown in Table (4.7).

Table (4.7)
Cost Leadership Strategy

No.	Statement	Mean	Std Dev
1.	Fees charges for all services are lower than other banks	3.16	.11
2.	Our products are affordable or economical price for customers	3.80	.64
3.	We continuously seeks to reduce price without sacrificing banking products' essential features or acceptable quality	3.39	.73
4.	We try always for enhanced process efficiencies	3.78	.61
5.	We achieve economies of scale	3.77	.60
Overall Average Scores		3.58	

Source: Survey Results, 2019

Table (4.7) shows that the average score of the respondents' agreement level on cost leadership strategy is higher than 3 and the overall mean scores for cost leadership strategy

is 3.58 which is greater than the statistical mean scores. Therefore, respondents are believed that MOB are sometime used the cost leadership strategy.

4.3.2 Differentiation Strategy

Differentiation strategy is the strategy that aims to distinguish a banking service, form other similar competitors in banking market. It entails development of a product or service, that is unique for the customers, in terms of product design, features, brand image, quality, or customer service. Regarding the respondent's agreement level on differentiation strategy, five statements are measured by 5-point Likert scale. The mean value and standard deviations of each statement in differentiation strategy are shown in Table (4.8).

Table (4.8)
Differentiation Strategy

No.	Statement	Mean	Std Dev
1.	Our bank offers services / products that are different from its competitors	3.28	.94
2.	We improve branch networks	3.52	.80
3.	We offer unique products or services features that our institution is willing to paying a higher price for it	3.04	.83
4.	We ensure that there is a close relationship between the customers and the marketing team	3.60	.95
5.	We communicate the points of difference in our products /services it offers in credible ways	3.63	.76
Overall Average Scores		3.41	

Source: Survey Results, 2019

Table (4.8) shows that the average score of the respondent's agreement level differentiation strategy is higher than 3 and the overall mean scores for differentiation strategy is 3.41 which is greater than the statistical mean scores. Therefore, respondents are believed that MOB are sometime used the differentiation strategy.

4.3.3 Focus Strategy

A focus strategy is usually employed where the MOB knows its segment and has products to competitively satisfy its need. Regarding the respondent's agreement level on focus strategy, four statements are measured by 5-point Likert scale. The mean value and standard deviations of each statement in focus strategy are shown in Table (4.9).

Table (4.9)
Focus Strategy

No.	Statement	Mean	Std Dev
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1.	Focused on products and services not offered by other banks	3.29	.85
2.	Custom-made products and services offered to corporate customers	3.57	.93
3.	Identified a specific niche in the market	3.49	.99
4.	Concentrating in one market segment	3.17	.86
Overall Average Scores		3.38	

Source: Survey Results, 2019

Table (4.9) shows that the average score of the respondent's agreement level focus strategy is higher than 3 and the overall mean scores for differentiation strategy is 3.38 which is greater than the statistical mean scores. Therefore, respondents are believed that MOB are sometime used the focus strategy.

4.3.4 Strategy Commonly Used by MOB

In the comparative analysis of three type of strategy that highest mean on cost leadership strategy and lowest mean on focus strategy. The overall average scores of each type of strategy are illustrated in Table (4.10).

Table (4.10)

Overall Average Scores on Strategy

Type of Strategy	Overall Average Scores
Cost leadership strategy	3.58
Differentiation Strategy	3.41
Focus Strategy	3.38

Source: Survey Results, 2019

Table (4.10) shows that overall average scores of three type of strategy, in which cost leadership strategy is the highest score among them. (Comment). On the other hand, focus strategy is the lowest score out of three type of strategy (Comment). Therefore, it can be concluded that cost leadership strategy is commonly used by MOB comparing with other strategy.

4.4 Analyzing the Influencing Factor of Strategy Implementation

In this section, influencing factor of strategy implementation is divided by three studies factor namely leadership style, competence affect, and resource allocation on

strategy implementation. In addition, influencing factor of strategy implementation are measured with 35 statements. Leadership style are measured with ten statements, competence affect with ten statements, resource allocation with 10 statements, and strategy implementation respectively. Each statement for respondent's perception of all of the influencing factor of strategy implementation is measured on five-point Likert scale (1: strongly disagree, 2: disagree, 3: neutral, 4: agree, and 5: strongly agree). The mean score for each statement is calculated and discussed. Since each statement is measured with five point Likert scale, the minimum, the middle, and the maximum value of mean scores is 1, 3, and 5. Thus, if means score is higher than 3, it can be assumed that students are respondents while if the mean score is lower than 3, it can be assumed that respondents are not agreed.

4.4.1 Leadership Style

Ten statements measure respondents 'agreement level towards leadership style. To conduct means value, average scale score was calculated for each statement regarding the leadership style. A higher means value signifies greater implementation towards leadership style and vice versa. The mean values of each statement regarding the leadership style for further studies are found and the results are shown in Table (4.11).

Table (4.11)
Leadership Style

No.	Statement	Mean	Std Dev
1.	Leadership style affects strategy implementation	3.72	.750
2.	Coordination enhances achievement of sufficient results	3.81	.733
3.	Management levels influence strategic management process	3.80	.690
4.	Utilization of performance contracts is critical in realization of goals	3.73	.731
5.	Communication facilitate achievement of sufficient results	3.84	.616
6.	Dynamic business environment affects realization of goals	3.76	.641
7.	Commitment enhances achievement of sufficient results	3.78	.700
8.	Leadership skills is critical in realization of goals	3.91	.647
9.	Relationship with employees influences goal achievement	3.98	.599
10.	Organizing ensures meeting of deadlines	3.67	.750
Overall Average Scores		3.80	

Source: Survey Results, 2019

According to the Table (4.11), the average score of each statement is greater than 3, it can be seen that the respondents are agreed that the leadership style can influence the strategy implementation. On the other hand, since the overall mean scores on leadership style is 3.80, therefore, the respondents are agreed that leadership style is affect the strategy implementation of MOB. The Maximum mean for this analysis is 3.98 for relationship with employees influences goal achievement which means the relationship between employees is the main factor influencing in leadership style in MOB Bank. The minimum score is 3.67 for organizing ensures meeting of deadlines.

4.4.2 Competence Affect

Ten statements measure respondents' agreement level towards competence affect. To conduct means value, average scale score was calculated for each statement regarding the competence affect. A higher means value implies greater implementation towards leadership style and vice versa. The mean values of each statement regarding the competence affect for further studies are found and the results are shown in Table (4.12).

Table (4.12)
Competence Affect

No.	Statement	Mean	Std Dev
1.	Training enhances goals achievement	3.86	.572
2.	Offering rewards facilities realization of goals	3.89	.694
3.	Manpower capacity facilities achievement of results	4.00	.519
4.	Employee skills and knowledge enhances goal realization	4.16	.539
5.	Staff remuneration influences attainment of results	3.88	.684
6.	There is a set competence management system	3.80	.657
7.	Talent deficiency hampers the implementation process	3.88	.668
8.	Staff competence enhances goals achievement	3.90	.601
9.	Acknowledging employees is necessary to meet set target	4.00	.670
10.	Aligning the person to the job facilities achievement of results	4.04	.634
Overall Average Scores		3.94	

Source: Survey Results, 2019

According to the Table (4.12), the average score of each statement is greater than 3, it can be seen that the respondents are agreed that the competence affect can influence the strategy implementation. On the other hand, since the overall mean scores on competence is 3.94, therefore, the respondents are agreed that competence affect consequence the strategy implementation of MOB. The maximum mean for this analysis is employee skills and knowledge enhance goal realization with 4.16, means the main driver to enhance organization goal are the skills and knowledge of employees. The minimum value is 3.86 for training enhances goals achievement.

4.4.3 Resource Allocation

Respondents' agreement level towards resource allocation are measured by ten statement. To conduct means value, average scale score was calculated for each statement regarding the resource allocation. A higher means value implies greater strategy implementation towards resource allocation and vice versa. The mean values of each statement regarding the resource allocation are found and the results are shown in Table (4.13).

Table (4.13)
Resource Allocation

No.	Statement	Mean	Std Dev
1.	Resource allocation determines achievement of results	3.71	.723
2.	Budgeting influences achievement of goals	3.97	.626
3.	Lack of human and physical resources affect realization of goals	3.81	.833
4.	Leadership commitment influences attainment of results	3.83	.623
5.	Monitoring resources influences attainment of result	3.70	.678
6.	Funds allocation enhances achievement of sufficient result	3.84	.702
7.	Use of budget as an evaluation and control tool ensures meeting of deadlines	3.73	.716
8.	We have implemented IT effectively to facilitate strategy implementation	3.74	.773
9.	Innovative IT strategies and e-business improve competitiveness	3.91	.744
10.	Information Technology infrastructure facilitate achievement of business objectives	4.00	.687
Overall Average Scores		3.82	

Source: Survey Results, 2019

According to the Table (4.13), the average score of each statement is greater than 3, it can be seen that the respondents are agreed that the resource allocation can influence the strategy implementation of MOB. On the other hand, since the overall mean scores on resource allocation is 3.82, therefore, the respondents are agreed that resource allocation consequence the strategy implementation of MOB. The maximum means for the resource allocation are aligning the person to the job facilities achievement of results and offering rewards facilities realization of goals, which are 4 and 3.97 respectively. And minimum score is staff remuneration influences attainment of results with 3.70.

4.4.4 Strategy Implementation

In this subsection, the strategy implementation of MOB is explored by using descriptive analysis. In order to explore strategy implementation, five statements measure respondents' agreement level towards strategy implementation. Each statement was calculated their average score regarding strategy implementation. A higher means value indicates greater strategy implementation of MOB and vice versa. The mean values of each statement regarding the strategy implementation competencies are found and the results are shown in Table (4.14).

Table (4.14)
Strategy Implementation

No.	Statement	Mean	Std Dev
1.	Organization structure facilitate strategy implementation	3.64	.739
2.	Policies and procedures determine achievement of result	3.77	.835
3.	Rewards and incentives affect realization of goals	3.79	.772
4.	Corporate culture enhances goals achievement	3.72	.735
5.	Best practices and continuous improvement facilitate achievement of objectives	3.91	.713
Overall Average Scores		3.77	

Source: Survey Results, 2019

According to the Table (4.14), the average score of each statement regarding the strategy implementation is greater than 3, it can be seen that the respondents are agreed that MOB has greater strategy implementation. On the other hand, since the overall mean scores on strategy implementations 3.77, therefore, the employees believe that MOB bank carrying the strategy implementation. The highest mean for strategy implementation of MOB Bank is best practices and continuous improvement facilitate achievement of objectives, which scored 3.91 and the lowest score is 3.64 for organization structure facilitate strategy implementation.

4.5 Assessment on Reliability

Before evaluating the effect of influencing factor on strategy implementation of MOB, each factor are assessed internal consistency by using Cronbach's alpha since all item are measure by Likert scale. Cronbach's alpha is a measure for the internal consistencies of the items that together cover the specific factor. It measures internal consistency of items to the concept. The values of Cronbach's alpha range from 0 to 1, and higher values indicate greater reliability. The rules of thumb of Cronbach's alph often use 0.7 as a minimum level. The alpha value for each factor is found in the following Table (4.15).

Table (4.15)
Cronbach's Alpha Value for Studies Factor

Factor	No. of Items	Cronbach's Alpha
Leadership Style	10	.855
Competence Affect	10	.840
Resource Allocation	10	.842
Strategy Implementation	5	.818

Source: Survey Results, 2019

It could be observed that all of the alpha values are more than 0.8. According to Table (4.15), alpha value for leadership style is 0.855, which is the highest alpha value among other factor. Results show that Cronbach's alpha range between 0.818 and 0.855. Since each dimension has Cronbach's alpha value greater than 0.8, therefore, it can be conclude that each influencing factor of strategy implementation and strategy implementation are internally consistent.

4.6 Effect of Influencing Factor on Strategy Implementation

To determine the effect of influencing factor on strategy implementation, Pearson's product moment correlation coefficient and regression analysis are used.

4.6.1 Relationship between Influencing Factor and Strategy Implementation

Correlation is a measure of relationship between two variables, the correlation coefficient gives mathematical value (-1 to 1) and that measures direction and the strength of the linear relationship between two variables. Person's correlation coefficients were computed through bivariate correlation for this study. In this study, relationship between each influencing factor of strategy implementation and strategy implementation are conducted. To conduct the analysis and to explore the objective two, average scale scores was calculated for each scale and to find the correlation coefficient for each pair of variables.

In this section, the relationship between strategy implementation and each influencing factor on strategy implementation such as leadership style, competence affect, and resource allocation are conducted by Pearson correlation coefficient. Table (4.15) shows the relationship between influencing factor and strategy implementation.

Table (4.16)

Relationship between Influencing Factor and Strategy Implementation

Influencing Factor	Strategy Implementation
Leadership Style	.661**
Competence Affect	.626**
Resource Allocation	.680**
Strategy Implementation	1

Source: Survey Results, 2019

Note: ** Correlation is significant at the 0.01 level of significant (2-tailed)

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

Table (4.16) demonstrates the correlation coefficient for leadership style and strategy implementation. The correlation coefficient between leadership style and strategy implementation is .661 at significant at 1% level. This shows that there is moderately and directly relationship between leadership style and strategy implementation of MOB.

Moreover, the correlation coefficient between competence affect and strategy implementation is .626 at significant at 1% level. This shows that there is moderately and directly relationship between competence affect and strategy implementation of MOB.

And the correlation coefficient between resource allocation and strategy implementation is .680 at significant at 1% level. This shows that there is moderately and directly relationship between resource allocation and strategy implementation of MOB.

4.6.2 Effect of Influencing Factor on Strategy Implementation of MOB

After observing the relationship between influencing factor and strategy implementation, it is important to consider which factors out of the three factors can significantly explain the strategy implementation of MOB. For this purpose, the multiple regression analysis is conducted, and the results are reported in Table (4.16).

Table (4.17)

Effect of Influencing Factor on Strategy Implementation of MOB

Independent Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	-.326	.435		-.749	.456
Leadership Style	.428	.134	.335	3.186	.002
Competence Affect	.250	.173	.173	1.441	.153
Resource Allocation	.388	.166	.307	2.337	.022
N = 90 Adj R² = .523 F = 33.468 (p-value = 0.000)					

Source: Survey Result, 2019

The above results show that all the coefficients in the model are jointly significant at 1% level, which is indicated by the value of F-statistic with 33.468. Out of the three-influencing factor on strategy implementation, leadership style and resource allocation are significant while competence affect is not significant. The magnitude of each coefficient indicates the amount how much the score of the dependent variable will change if the score of an independent variable increase by 1 unit while other things remain unchanged. That is, if the score of leadership style increase by 1 unit while competence affect and resource allocation remain unchanged, the strategy implementation score will increase by 0.428 units. If the score of resource allocation increases by 1 unit, while leadership style and competence affect remain unchanged, the strategy implementation score will increase by 0.388 unit.

In term of the magnitude of standardized coefficient, leadership style (beta = 0.335) is relative the most important in explaining the strategy implementation, followed by resource allocation (beta = 0.307), and competence affect (beta = 0.103) respectively.

Therefore, among the three-influencing factor of strategy implementation, leadership style and resource allocation are key determinants of strategy implementation used by MOB bank. Base on the result, MOB bank can effectively influence its strategy implementation by its leadership style and strategy implementation.

This chapter presented the key findings based on the primary data collected by the researcher during the course of study. The findings for the qualitative data were based on

the questionnaire. The next chapter would reflect how this analysis has helped achieve the objectives of the study and provided recommendations based on these findings.

CHAPTER (5)

CONCLUSION

This chapter presented the key findings based on study. The findings for this analysis have helped achieve the objectives of the study and provided recommendations based on these findings.

5.1 Findings

This study aims at investigation and identify the current use of the strategy at MOB and the effect of three types of influencing factor on strategy implication of MOB. For this purpose, the required data were collected through sample survey. In this study, a structure questionnaire was used. According to the analysis of demographic characteristics, number of respondents is female and their age distribution is between 20 to 39 years old who are working of managerial level in MOB. Besides, the education level of respondents is mostly graduated and their occupation is averagely manager level. The working experience is 3 to 6 years in working at MOB.

And then, as regards of the analysis on type of strategy used in MOB, there included three types of strategy namely cost leadership strategy, differentiation strategy and focus. Accordingly, this study shows that among the three types of strategies, cost leadership strategy is used in MOB. As regards of influencing factors on strategy implementation, it shows that two influencing factors are significant relation on strategy implementation out of three factors. Leadership style and resource allocation is significant while competence affect is not significant. If the more effective leadership style is used in MOB, it can more influence on implementation of the company's strategy. Similarly, if the more resource allocation increases the strategy implementation will be more effective. Therefore, among the three influencing factors of strategy implementation, leadership style and resource allocation are key determinants of strategy implementation used by MOB bank. Base on the result, MOB bank can effectively influence its strategy implementation by its leadership style and strategy implementation.

5.2 Suggestions and Recommendation

The findings revealed that relationship with employees influences goal achievement. Strategy implementation not only require top management participation but the whole organization and sometimes parties outside the corporation. While formulating a strategy is a top-down affair, the implementation requires both top-down and bottom-up activities. Therefore, the bank should establish strong relationship with employees in order to implement strategy successfully.

The study showed that leadership skills were critical in realization of goals. Effective leadership involves restructuring firms design in a manner that motivates staff with the relevant knowledge to initiate value-enhancing proposals. It is important for the bank to adopt strong leadership in order to realize goals.

The findings established that all managers agreed that talent deficiency hampers the implementation process. Individuals recruited in a company play an important role in implementation of the strategy. Employee skills and knowledge need to be improved to enhances goal realization and indeed for strategy implementation to achieve success, optimally the employees need to be competent, and the system put in place must make sure that the proper selections are made and organizations that adopt a complete quality management philosophy are considered capable of fulfilling the challenge of competition in the market.

The study also established that aligning the person to the job facilitates achievement of results. Therefore, the bank should undertake better recruitment and as such reduce negative long-term costs in training and development costs, poor performance, absenteeism, disciplinary issues, high turnover and low productivity which negatively affect staff morale.

It was revealed that training enhances goals achievement and the lack of training in strategic implementation among faculty, academicians, and alternative education stakeholders were a number of the challenges facing effective implementation of strategic policies in the facilities. The employment of human resource can facilitate a company implementation strategic set up. Training is incredibly vital when establishing a method of a strategic implementation set up. Through this, workers are ready to acquire relevant skills and data, improve production performance and capability.

The finding revealed that budgeting influences achievement of goals. Budgetary controls enable the management team to make plans for the future through implementing those plans and monitoring activities to see whether they conform to the plan, effective implementation of budgetary control is an important guarantee for the effective implementation of budget in the organization. Therefore, the bank should use budget control as the primary means of corporate internal controls, it provides a comprehensive management platform for efficient and effective allocation of resources. In addition, it can be concluded that innovative IT strategies and e-business improve competitiveness, IT infrastructure facilitate achievement of business objectives. As such, the bank should establish sound IT infrastructure and to seize opportunities like alignment of organizations with expressed goals, making the firm competitive and facilitates organizations to catch up with rivals. Generally, it is a positive impact on strategy formulation stage.

It is recommended the MOB bank should improve its leadership style that appropriate for improve implementation of their strategies, train staff to be more customer-friendly and competence and resource allocation to meet implement to strategy for fulfilling customer expectations and sustain the competitive advantage.

5.3 Need for Further Studies

The study is a case study of one of the private banking sectors and this study only focused on use of strategy in MOB bank. Then, this study concerns about leadership style, staff competence and resource allocation factors are how influence on strategy implementation of MOB. However, as a result of regression analysis, only competence effect was not significant in implementing strategy at MOB bank. Therefore, more research needs to be done on the other factors such as culture, structure, systems, and goals to determine which one significantly effect on strategy implementation of MOB bank. Besides, this study could not every aspect of competition among the banks in Myanmar and it did not comparison of banks. Therefore, further study can also thus be done in this regard.

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Appendix

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-29	42	46.7	46.7	46.7
	30-39	28	31.1	31.1	77.8
	40-49	15	16.7	16.7	94.4
	50 and above	5	5.6	5.6	100.0
	Total	90	100.0	100.0	

		Highest Level Education			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	7	7.8	7.8	7.8
	Degree	66	73.3	73.3	81.1
	Master	17	18.9	18.9	100.0
	Total	90	100.0	100.0	

		Position			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Head of Department	14	15.6	15.6	15.6
	Manager	13	14.4	14.4	30.0
	Assistant Manager	63	70.0	70.0	100.0
	Total	90	100.0	100.0	

Working Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 3	34	37.8	37.8	37.8
	3-6	30	33.3	33.3	71.1
	7 and above	26	28.9	28.9	100.0
	Total	90	100.0	100.0	

Number of employees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10-15	13	14.4	14.4	14.4
	16-25	42	46.7	46.7	61.1
	Over 26	35	38.9	38.9	100.0
	Total	90	100.0	100.0	

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Cost Leadership Strategy 1	90	1	5	3.16	1.070
Cost Leadership Strategy 2	90	2	5	3.80	.640
Cost Leadership Strategy 3	90	2	5	3.39	.730
Cost Leadership Strategy 4	90	2	5	3.78	.614
Cost Leadership Strategy 5	90	2	5	3.77	.601
Valid N (listwise)	90				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Differentiation Strategy 1	90	1	5	3.28	.936
Differentiation Strategy 2	90	1	5	3.52	.796
Differentiation Strategy 3	90	1	5	3.04	.833
Differentiation Strategy 4	90	1	5	3.60	.946
Differentiation Strategy 5	90	2	5	3.63	.756
Valid N (listwise)	90				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Focus 1	90	1	5	3.29	.851
Focus 2	90	1	5	3.57	.925
Focus 3	90	1	5	3.49	.997
Focus 4	90	1	5	3.17	.864
Valid N (listwise)	90				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Leadership Style 1	90	1	5	3.72	.750
Leadership Style 2	90	1	5	3.81	.733
Leadership Style 3	90	2	5	3.80	.690
Leadership Style 4	90	2	5	3.73	.731
Leadership Style 5	90	2	5	3.84	.616
Leadership Style 6	90	2	5	3.76	.641
Leadership Style 7	90	2	5	3.78	.700
Leadership Style 8	90	2	5	3.91	.647
Leadership Style 9	90	2	5	3.98	.599
Leadership Style 10	90	2	5	3.67	.750
Valid N (listwise)	90				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Competence affect 1	90	1	5	3.86	.572
Competence affect 2	90	2	5	3.89	.694
Competence affect 3	90	3	5	4.00	.519
Competence affect 4	90	3	5	4.16	.539
Competence affect 5	90	3	5	3.88	.684
Competence affect 6	90	2	5	3.80	.657
Competence affect 7	90	2	5	3.88	.668
Competence affect 8	90	3	5	3.90	.601
Competence affect 9	90	3	5	4.00	.670
Competence affect 10	90	2	5	4.04	.634
Valid N (listwise)	90				

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Strategy Implementation 1	90	2	5	3.64	.739
Strategy Implementation 2	90	2	5	3.77	.835
Strategy Implementation 3	90	2	5	3.79	.772
Strategy Implementation 4	90	2	5	3.72	.735
Strategy Implementation 5	90	2	5	3.91	.713
Valid N (listwise)	90				

Scale: leadership style

Reliability Statistics

Cronbach's Alpha	N of Items
.855	10

Scale: Competence affect

Reliability Statistics

Cronbach's Alpha	N of Items
.840	10

Scale: Resource Allocation

Reliability Statistics

Cronbach's Alpha	N of Items
.842	10

Scale: Stragety Implementation

Reliability Statistics

Cronbach's Alpha	N of Items
.818	5

		Stragety Implementation
Leadership Style	Pearson Correlation	.661
	Sig. (2-tailed)	.000
	N	90
Competence Affect	Pearson Correlation	.626
	Sig. (2-tailed)	.000
	N	90
Resource Allocation	Pearson Correlation	.680
	Sig. (2-tailed)	.000
	N	90
Stragety Implementation	Pearson Correlation	1
	Sig. (2-tailed)	
	N	90

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Resource Allocation, Leadership Style, Competence Affect ^b		Enter

a. Dependent Variable: Stragety Implementation

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.734 ^a	.539	.523	.39970

a. Predictors: (Constant), Resource Allocation, Leadership Style, Competence Affect

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	16.041	3	5.347	33.468	.000 ^b
	Residual	13.739	86	.160		
	Total	29.780	89			

a. Dependent Variable: Strategy Implementation

b. Predictors: (Constant), Resource Allocation, Leadership Style, Competence Affect

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	-.326	.435		-.749	.456
	Leadership Style	.428	.134	.335	3.186	.002
	Competence Affect	.250	.173	.173	1.441	.153
	Resource Allocation	.388	.166	.307	2.337	.022

a. Dependent Variable: Strategy Implementation

