AN EVALUATION OF EFFECTS OF INFORMATION TECHNOLOGY UTILIZATON ON KENYA COMMERCIAL BANK'S BUSINESS PERFORMANCE USING THE BALANCED SCORECARD

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Submitted by:-

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ABSTRACT

Organizational performance remains a dominant means of success in all sectors. The purpose of this study was to evaluate the effect of Information Technology utilization on the performance of the Kenya commercial Bank with the help of the Balanced Score Card. The aim being to identify ideas that can mitigate against problems for the business to survive and sustain solid performance and success. The research objectives elaborate networks of association among variables that are assumed to have sufficient relationships with the dependent variable which is organizational performance.

The study was based on the survey method where a sample of 73 respondents was selected on stratified random sampling method. The population of the study included all the employee of KCB. The study used both quantitative and qualitative methods of data collection methods and the Likert Scale of self administered closed and open ended questionnaire. Descriptive statistics was used for data analysis. The study interpreted the data into information that can be understood through analysis of the results by the use of the Statistical Package for Social Sciences (SPSS). Data presentation methods in terms of tables, was used while qualitative data was used to summarize and categorize data according to common themes and then presented in frequency distribution tables. Regression analysis has been applied to analyze data and interpret future outcome.

The study established that IT utilization in finance and internal business processes perspectives of the BSC has a positive significant linear association with performance The study variables established a moderately strong relationship with a Coefficient of determination (R^2) which depicted 64% explanatory power of the regression model. The study major recommendation that it would be of importance for the management to be open minded on other factors that would have influence on the bank's performance and seek to establish them. The major limitation was that study was cross-sectional in the nature of its

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design whereby assessment was at a single point of time. Hence, this study should become a precedent as well as a precursor to both longitudinal studies and case studies in the future. Further investigations should be done on the new and emerging technological concepts and practices in finance management globally such as, e-commerce, e-banking, virtual banking practices, agency banking and mobile telephony money transfers.

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