

Effect Of Strategic Management Posture On The Performance Of Commercial Banks In Nairobi, Kenya

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Abstract

This study sought to establish the effect of strategic management posture on the performance of the commercial banks in Nairobi Kenya. The objective of the study to determine how product differentiation affects the performance of commercial banks. This study was guided by Ansoff's Model of Strategic Posture. The study adopted a descriptive survey design and a sample of 369 employees from each bank branches in Nairobi was selected using stratified random sampling. The questionnaires were the main tool for collecting data. Reliability of the tool instruments was tested by use of Cronbach's Alpha coefficient and validity by use of content validity. The data was analysed by use of both descriptive and inferential statistics. The findings revealed that there was a strong positive relationship between Product differentiation and financial performance ($r=0.769$, $p<0.01$) and significantly accounted for 58.9% of variance in financial performance of commercial banks in Nairobi. The study recommended that right-based approach should be used to create value for strategic management posture adopted by the commercial banks.

Key Words: Product differentiation, financial performance, strategic management posture