

**STRATEGIC MANAGEMENT PRACTICES AND ORGANIZATIONAL
PERFORMANCE: A CASE STUDY OF CENTENARY BANK, SOROTI BRANCH**

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**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF
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**UGANDA CHRISTIAN
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DECLARATION

I APIO EVERLINE, declare that this is my original report and has not been submitted to any other college, institution or university other than Uganda Christian University, Mbale University College in Uganda for academic credit.

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APPROVAL

This report has been presented for examination with my approval as the University appointed supervisor.

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DEDICATION

I dedicate all my efforts and struggles of the educational life to my dear parents and husband Mr. Mugoya Paul who helped, supported and guided the course of my educational life, without them it would be meaningless.

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First of all I thank the Almighty God who is the holder of my breaths, without His order, nothing is possible.

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LIST OF ABBREVIATIONS

A	Agree
ATMs	Automated Teller Machine
CBJ	Central Bank of Jordan
CRDT	Centenary Rural Development Trust
CVI	Content Validity Index
D	Disagree
FDIC	Federal Deposit Insurance Corp
Fintech	Financial Technology
FRB	Federal Reserve Bank
GNP	Gross National Product
IPO	Initial Public Offerings
MFI	Microfinance Institutions
NPM	Net profit margin
SA	Strongly Agree
SAQ	Self-administered Questionnaire
SD	Strongly Disagree
TD	Total deposits
TL	Total Loans
UD	Undecided

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ABSTRACT

The main purpose of carrying out this study was to analyze the impact of strategic management on organizational performance, case study of Centenary Bank Soroti Branch. The objectives of the research were to analyze the influence of financial technology system on daily loan tracking backed by staff and customer incentives, to ascertain the influence of individual micro-lending as the Bank's sole lending technology and to establish the influence of financial services and outreach in Centenary Bank Soroti Branch. The findings indicate that FinTech represents a novel financial model, combining technological innovation with financial services shows over 60%. It employs emerging scientific and technological means such as online settlement, mobile payments, and cloud computing to extend various financial services, including account settlement, investment management, and credit facilities gave 64% responses, Creating opportunities for the banking industry to integrate pioneering FinTech solutions, reduce costs, enhance flexibility, attract deposits and promote financial inclusion 73%, Assessing banks' management efficiency in attracting more deposits from current and potential clients. The poor represent the largest share of the population and that the informal sector is an important part of the economy over 97%; Designate financial institution dedicated to assisting small enterprises, the poor, and households who have no access to the more institutionalized financial system, in mobilizing savings, and obtaining access to financial services 91%, In a group-lending contract, each borrower obtains a loan for her/his project and the liability can be joint; this joint liability induces group members to self-select each other and provides an incentive for peer monitoring 88%, Small borrowers in the group lending have perfect knowledge of each other 94%. Centenary has introduced agricultural lending in Soroti Branch 99%; The approach is prudent and gradual to its customers 100%; Areas of operation are determined by a team of loan officers on the basis of the commercial potential of the crops grown, soil quality, rain fall, accessibility, and cultural factors of entrepreneurial and financial behavior 90%; The loan officers held customer education training sessions in the local language on all relevant aspects of banking, which were deepened in loan sessions at the time of disbursement 100%; Particular emphasis of financial services is placed on the importance of timely repayment and the associated incentives 90%

The research recommends that Centenary Bank can maximize the benefits of integrating fintech into its daily loan tracking operations while fostering a culture of innovation, efficiency, and customer-centricity while focusing on Staff Training and Incentive, Customer Engagement

and Education, Enhanced Data Security and Privacy and Collaboration with Fintech Partners. Centenary Bank can maximize the positive impact of individual micro-lending, empower borrowers, and contribute to economic development and poverty alleviation in the communities it serves. Individual micro-lending can indeed have a significant influence on Centenary Bank's operations and its impact on the community it serves. The bank plays a crucial role in the economic development and financial inclusion of its community. Centenary Bank can strengthen its financial services and outreach efforts, thereby contributing to the economic development and well-being of its community.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents a background to the study, statement of the problem, purpose of the study, specific objectives, and research questions, scope of the study, significance of the study, justification of the study and conceptual framework.

1.1 Background

Globally, strategic management has been identified as a key driver of organizational performance. Scholars such as Porter (1980) introduced competitive strategies that highlight the importance of positioning and competitive advantage. Barney (1991) further contributed with the Resource-Based View (RBV) of the firm, emphasizing the role of internal resources in achieving sustainable competitive advantage. Kaplan and Norton (1992) introduced the Balanced Scorecard, which links strategic objectives with performance measurement, highlighting the multi-dimensional nature of performance evaluation.

In Africa, the banking sector has undergone significant transformation due to liberalization and technological advancements. A study by Oke, Akinola, and Onifade (2016) on strategic management practices in Nigerian banks found that strategic planning, innovation, and customer relationship management positively influence organizational performance. Similarly, Njuguna and Katuse (2017) examined strategic management practices in Kenyan banks, revealing that strategic alignment and human resource practices are critical for enhancing performance.

In East Africa, the banking sector has experienced rapid growth, driven by economic integration and increased foreign investment. Research by Njenga (2018) on strategic management practices in East African banks highlighted the role of strategic leadership, information technology, and risk management in driving performance. Mwirigi and Njeru (2018) found that strategic agility and market orientation significantly impact the performance of banks in the region.

In Uganda, the banking sector is characterized by a mix of local and international banks operating in a competitive environment. A study by Kasekende, Atingi-Ego, and Sebudde (2004) on banking sector reforms in Uganda indicated that strategic management practices such as restructuring, technological adoption, and human resource development are vital for improving performance. Additionally, a more recent study by Namisi and Tumwine (2018) highlighted that strategic planning and customer-focused strategies are essential for the success of Ugandan banks.

The Soroti branch of Centenary Bank, a leading financial institution in Uganda, provides a microcosm of the broader trends in the banking sector. Centenary Bank's strategic focus includes financial inclusion, technological innovation, and customer service excellence. According to the bank's annual reports (Centenary Bank, 2022), the Soroti branch has implemented several strategic initiatives aimed at enhancing performance, including the adoption of mobile banking platforms, customer education programs, and community outreach efforts. These practices align with the broader strategic objectives of Centenary Bank, which emphasize sustainability and customer-centric services.

1.2. Statement of the Problem

Centenary Rural Development Trust that was later joined by the Catholic Church to establish a formal financial institution is a leading Commercial Microfinance Bank in Uganda with an asset base of over UGX 4 trillion; 2,300,000 customers has a quarter of the banking population. The services can be accessed across 80 branches, 191 Visa ATMs, 5,200 agents, Online Platform and the CenteMobile platform. This bank provides appropriate financial services especially Micro finance to all people, particularly in rural areas, in a sustainable manner and in accordance with the law''. The bank is keen on sustainability of the communities we serve, so we support in three major areas which are Education, Health, and The Social Mission of the Church (World Bank Report, 2018)

According to the daily Monitor Newspaper of Tuesday, July 18, 2023; Centenary Rural Development Bank is a commercial bank in Uganda that provides deposit, credit and money transfer services indiscriminately to men and women of lower income.

During 2021, the bank started to overcome its quality-vs.-productivity dilemma: (i) shifting incentives from repayment towards disbursement; and (ii) adding

meso-finance for small and medium entrepreneurs, while micro-entrepreneurs, without mission drift, continue to constitute 99% of its borrowers. This move has substantially contributed to both, the bank's sustainability and its outreach to the poor.

Despite of an increase in bank's sustainability and its outreach to the poor, the survival rate for the bank seems to be still low. This study will therefore attempt to establish the impact of strategic management on organizational performance, case study of Centenary Bank Soroti Branch.

1.3 Purpose of the Study

The main purpose of carrying out this study was to analyze the impact of strategic management on organizational performance, case study of Centenary Bank Soroti Branch.

1.4 Objectives of the Research

- i. To analyze the influence of financial technology system on daily loan tracking backed by staff and customer incentives in Centenary Bank Soroti Branch.
- ii. To ascertain the influence of individual micro-lending as the Bank's sole lending technology in Centenary Bank Soroti Branch.
- iii. To establish the influence of financial services and outreach in Centenary Bank Soroti Branch.

1.5 Research Questions

- i. What is the influence of financial technology system on daily loan tracking backed by staff and customer incentives in Centenary Bank Soroti Branch?
- ii. What is the influence of individual micro-lending as the Bank's sole lending technology in Centenary Bank Soroti Branch?
- iii. What is the influence of financial services and outreach in Centenary Bank Soroti Branch?

1.6 Scope of the Study

This included content scope geographical scope and time scope as seen below.

1.6.1 Content Scope

The study was confined on impact of strategic management on organizational performance, case study of Centenary Bank Soroti Branch. This detailed influence of financial technology system on daily loan tracking backed by staff and customer incentives, influence of individual micro-lending as the Bank's sole lending technology, and influence of financial services and outreach in Centenary Bank Soroti Branch.

1.6.2 Geographical Scope

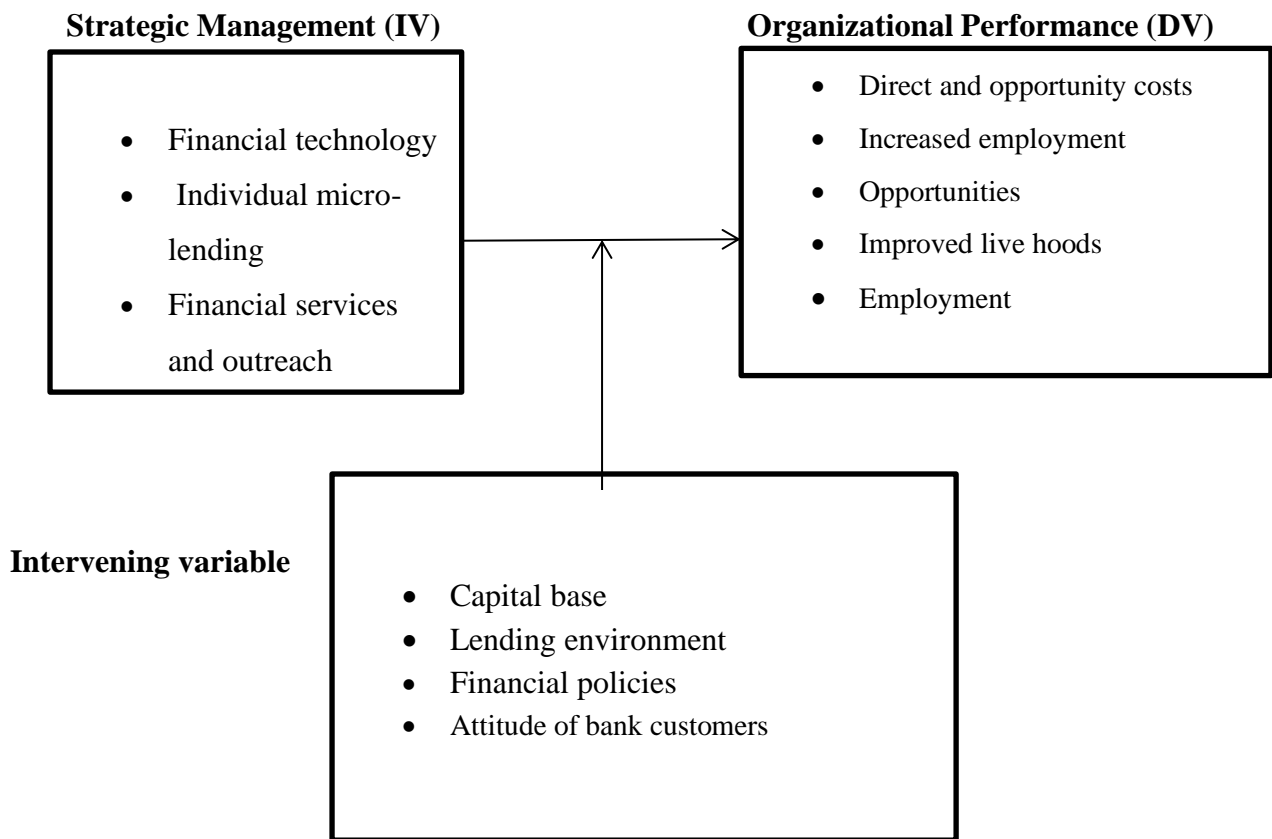
The study was carried out in Centenary Bank Soroti Branch to analyze the impact of strategic management on organizational performance.

1.6.3 Time Scope

This research looked at the period between 2020 and 2023 as it was a period when financial technology system on daily loan tracking backed by staff and customer incentives, influence of individual micro-lending as the Bank's sole lending technology and strategic management practices had been over been emphasized as instrumental in creating conducive conditions for improvement in the banking field. In addition, it was the period when information for the study will be readily be available.

1.7 Conceptual Framework

Figure 1: Conceptual Framework



Source: Adapted from Bartle P (2007) and modified by the researcher (2024).

Figure 1.1 above: Conceptual Framework shows the impact of strategic management on organizational performance, case study of Centenary Bank Soroti Branch. The conceptual framework shows the problem that the researcher will be finding out during the study. In the framework, strategic management is the independent variable and organizational performance is the dependent variable. In addition, strategic management was categorized into Level Financial technology, Individual micro-lending, and Financial services and outreach whereas organizational performance is the dependent variable that was considered as Direct and opportunity costs, Increased employment, Opportunities, Improved live hoods and Employment that may or not embrace strategic management issues; It was assumed that at play, the following Intervening variables were implemented; Capital base, Lending environment, Financial policies, and Attitude of bank customers.

1.8 Significance of the Study

- The study may inform Centenary Bank Soroti Branch and the banking sector at large to consider strategic management for the effective performance of banks and other

organisations. This would help foster the relationship between bank customers, employees and employers to appreciate of each other's functions.

- The research may support bank management to consider coming up with viable strategies geared at motivating all the stakeholders in the performance strata, so as to foster quality banking as well as to produce the required economic achievement in Soroti District and Elgon Region as a whole.
- This study may help the banking organisation to consider creating fora or opportunities for customers, agents, employees and employers to exchange ideas on strategic management issues to improve on performance of banks.
- This study would lead to an award of a Bachelor's Degree in Business and Administration of Uganda Christian University, Mbale University College.

1.9 Definition of key terms

Strategic management: s the process of planning, monitoring, analyzing, and assessing an organization's objectives, initiatives, and resources in order to align them with the changing external environment. It involves making decisions and taking actions that will help an organization achieve its long-term goals and objectives.

Organizational performance: The measure of how effectively and efficiently an organization achieves its objectives and goals. It encompasses various aspects of an organization's functioning, including its financial performance, operational efficiency, customer satisfaction, innovation, employee productivity, and overall competitiveness in the market.

Bank: A bank is a financial institution that accepts deposits from the public and creates a demand deposit while simultaneously making loans. Lending activities can be directly performed by the bank or indirectly through capital markets.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter considered the literature review on the impact of strategic management on organizational performance, case study of Centenary Bank Soroti Branch. This chapter considered the influence of financial technology system on daily loan tracking backed by staff and customer incentives, influence of individual micro-lending as the Bank's sole lending technology, and influence of financial services and outreach in Centenary Bank Soroti Branch. This chapter also undertook a theoretical review to have a logical and comprehensive review of the variables and summary of literature under review.

2.1 Theoretical review

The economists have put forward many theories at different times to guide the state as to how strategic management practices can be achieved. This section therefore focuses on the Resource Based View Theory which is of the relevant theories that have been developed by different authors to explain and give in depth understanding of the concept of strategic management practices.

Jay Barney's seminal 1991 paper, "Firm Resources and Sustained Competitive Advantage," published in the "Journal of Management", is a foundational work in the field of strategic management that formalized the Resource-Based View (RBV) of the firm. Barney's contribution fundamentally shifted the focus of strategic management from external factors, such as industry structure, to the internal resources and capabilities of firms as the primary sources of sustained competitive advantage. Below is a detailed explanation of Barney's RBV and its components.

The Resource-Based View argues that firms possess resources that, when utilized effectively, can lead to sustained competitive advantage. This perspective emphasizes that differences in firm performance are primarily due to the unique resources and capabilities each firm possesses.

According to Jay Barney (1991), resources are defined as all assets, capabilities, organizational processes, firm attributes, information, and knowledge that are controlled by a firm and enable it to conceive of and implement strategies to improve its efficiency and effectiveness.

The Resource Based View (RBV) theory states that an organization acquires competitive advantage by developing both the human and other organizational resources in ways that add unique and sustainable value to an organization (Barney, 1991). Under the RBV theory, firms focus is internally for unique resources rather than external. This is for both physical and intellectual resources that can enhance talent, competitive advantage and performance (Newbert, 2008; Takeuchi et al., 2007). Wright et al., (2001); Wright et al., (1994) on the other hand refer to resources-based theory as the attribution of resources internal to an organization that are rare, valuable, inimitable and non-substitutable. In the RBV context, value is defined as resources that exploit organizational opportunities and that is not currently available to other competitors in the market (Barney, 1991). Equally, when a resource is referred to as inimitable, it means that other firms will find it difficult to copy or reproduce the resources for their own benefit (Takeuchi et al., 2007). Finally, non-substitutability in RBV the resource the organization has is unique to the extent that there are no other similar resources on the market that can serve the same purpose (Allen, & Wright, 2007). Therefore, an organization that has valuable, inimitable, and non-substitutable resource is said to have met RBV theoretical and practical status and can utilize the status to gain sustainable competitive advantage and performance (Barney, 1991; Allen, & Wright, 2007).

2.2. Influence of financial technology system on daily loan tracking backed by staff and customer incentives of the bank

Financial Technology (FinTech) is a congregation of finance and technology. Schueffel (2016) stated that the term was developed primarily by Financial Services Technology Consortium, which was launched by Citigroup early 1990s. FinTech represents a novel financial model, combining technological innovation with financial services. It employs emerging scientific and technological means such as online settlement, mobile payments, and cloud computing to extend various financial services, including account settlement, investment management, and credit facilities (Hafez et al. 2023; Schueffel 2016).

According to the KPMG Klynveld Peat Marwick Goerdeler report (2019), there was a growth rate of 120% in global investment in FinTech in 2018 compared to the previous year, reaching a total of USD 111.8 billion. Currently, there are over 310 FinTech start-ups in the MENA

region, with approximately 7% of them based in Jordan. The Central Bank of Jordan—CBJ contributed significantly toward the development of financial technology, realizing banks' essential importance in shaping the future prospect of the banking sector (AB Accelerator 2020).

Despite mobile phone usage exceeding 100 percent, the banking sector in Jordan has less than 35 percent of the total customer population. The CBJ has made significant efforts towards achieving financial inclusion by adopting retail payment systems, electronic payments and innovative solutions that benefit potential segments of the community, in rural areas and also for women. Additionally, CBJ is developing legal frameworks that protect electronic transactions, creating opportunities for the banking industry to integrate pioneering FinTech solutions, reduce costs, enhance flexibility, attract deposits and promote financial inclusion (De Roure et al. 2021). This study was conducted in a different geographical location; the research will establish what applies in Centenary Bank Soroti Branch.

Due to the huge shift in banking services performance, FinTech has become an indispensable element in their daily activities, and banks are struggling to lead in this domain under a fierce competition environment. Thus, the main objective of this article is to investigate the impact of FinTech dimensions on the financial performance indicators of all Jordanian-listed commercial banks at ASE. The research will analyze whether or not (FI), (Auto.) and (APMs) influence financial performance indicators using total loans (TL), Total Deposits (TD) and Net Profit Margin (NPM). A well-structured questionnaire was utilized to accomplish the study objectives. Referring to the problem statement above, the following main question was formulated;

Though financial indicators such as EPS, ROA, CFS and ROE are imperative for analyzing banks' financial efficiency, TD, TL and NPM are also essential indicators that can be used for the same reason. This is due to the importance of such ratios in assessing banks' management efficiency in attracting more deposits from current and potential clients; the higher the deposit volume, the more efficient banks management. This is also applicable to the total loan volume, as it measures the level of management efficiency in employing their loanable funds, to generate more profit and ultimately enhance the bank's financial position as well as increases owners' wealth as it is the ultimate goal for financial management. Regarding the NPM ratio, it assesses the bank's ability in generating more profit for investors, the higher the NPM means that the bank can sustain any future undesirable shocks that may come across during its course of

business, what then could be the situation in the bank in Soroti as the area of study, the researcher was to find out while in the field.

Financial technology is a group of innovative services braced by progressions of information and communication technologies and systems (Barbu et al. 2021). While Abad-Segura et al. (2020) defined FinTech as containing pioneering entities that extend financial services, based primarily on technology. Financial technology encompasses computer software and technologies that enable banking services, toward the invention of numerous banking transactions, such as online payment, credit cards, wiring money, e-money, ATM, etc. (Nurlaela et al. 2020). It also denotes the adoption of the Internet and computerized expansions within the financial sector services (Zaghol et al. 2021). Thus, FinTech reflects the adoption of technology by the financial sector services (Gai et al. 2018). What could it then be in Centenary Bank Soroti Branch? This study was to provide the answers to this question.

Advanced technology, such as AI, mobile wallets, IoT, NFC, and block chain, is essential to FinTech (Lim et al. 2019). The use of these know-hows in FinTech services has been considered (Suseendran et al. 2019). Barbu et al. (2021) noted that the FinTech impact rests on technology innovation and the incorporation of innovative procedures, resulting in 24/7 financial services with customized creation and delivery, enhancing consumers' experience. FinTech is related to service innovation and innovation among financial business models (Nangin et al. 2020).

FinTech companies are oriented further towards technology rather than the traditional ones, providing financial services faster, more conveniently, and at lower costs through the help of information technology. Romanova and Kudinska (2016) concluded that both pioneering IT companies and traditional banking sector are tracking financial technology, using technology to improve their services. FinTech offers an online platform to connect borrowers and lenders, evading the use of traditional bank systems and procedures. The banking sector probable will grow rapidly and continuously in an innovative and dynamic way, utilizing Pcs and other digital know-hows related to financial services. Zaghol et al. (2021) and Puschmann (2017) stated that FinTech can manifest broadly through digitalization within the financial services sector by considering possible financial solutions via information technology (IT).

The use of technology in the banking sector is to produce banking services and products that meet customer needs and desires (Mbama 2018). Friedline et al. (2018) proclaim that FinTech

enabled all society segments to obtain better financial inclusion and FinTech improvement inside a country can be accredited to its affirmative impact on banking institutions and the public. FinTech displays a major function in decreasing the number of credit facilities that bear high interest rates. Petralia et al. (2019) also added that the FinTech introduction and its progress have substantial effects on conventional banking business models. Likewise, FinTech now is prevailing in diverse financial fields, such as lending, deposit, investment, account settlement and raising capital (Nguyen et al. 2021).

Arslanian and Fischer (2019) added that there is a rivalry between conventional banking services and FinTech, which adversely impacts conventional banking services in relation to their risk-taking, performance and innovation. Buchak et al. (2018) were pioneering in analyzing the integration of regulatory facets when inspecting the impact of FinTech to render credit service on bank's financial performance.

Different examples of research have supported the possibility of FinTech improving financial services by enhancing the quality of provided services, performing more affordable transactions, as well as providing comfier, more secure and improved business structures (Nguyen et al. 2021; Chen et al. 2019; Yao and Song 2021). Rita (2018) concluded a positive reaction of stock market prices due to FinTech adoption by certain banks.

Both hypotheses are related to customer and disruptive innovation, and the evolution of FinTech may have an influence on the banking industry. The consumer hypothesis advocates that FinTech will substitute emerging financial entities by serving incumbents that react similarly to customer's demands. The hypothesis of disruptive innovation argues that market participants follow and adopt pioneering know-hows to furnish more accessible and reasonable services that are extremely competitive in the marketplace (Nguyen et al. 2021). On the other hand, Yudaruddin (2022) stated that customer or client theory elucidates that FinTech startups extend innovative services that meet customer demand, substituting banking sector old services. Alternatively, the disruptive innovation theory proposes that FinTech startups can profit from pioneering technology to offer clients smooth access to services, resulting in substantial competition between traditional banks.

Juengerkes (2016) mentioned that banks trust their clients and gain complementary impact by collaborating with FinTech startups to face disruptive innovation. Nguyen et al. (2021) indicated that in relation to the settlement of payment, FinTech permits mobile payment with minor costs, leading to a decrement in long-term advantages of commercial banks.

Financial inclusion refers to the situation where business entities and individuals have access to a variety of financial services and products, such as money transfers, insurance, payments, savings and credit, which are cost-effective and suitable for their needs, ultimately leading to an improvement in their standard of living. Its primary objective is to serve the entire society, including organizations and people, by providing them with access to financial services, especially those who are poor or have limited income, in order to improve their financial status and condition (Alnabulsi and Salameh 2022).

Furthermore, Erfan et al. (2021) note that financial inclusion is beneficial for citizens as it enables them to fully understand and recognize basic financial terms and offers them protection as financial customers. Alnabulsi and Salameh (2022) add that financial inclusion helps increase citizens' opportunities to use the services of small and micro-businesses, as well as digital payments. Additionally, Kartawinata et al. (2021) state that financial inclusion is valuable in preserving the interests and rights of relevant parties while also increasing their level of awareness. Ultimately, Alnabulsi and Salameh (2022) conclude that financial inclusion is essential for adopting an inclusive strategy regarding sustainable development, leading to a positive significant influence on meeting the growth and stability objectives across different sectors, including social and economic sectors.

In recent years, the payment industry has gained new insights that have led to the improvement of payment methods for individuals in various circumstances, regions and environments. These insights have included advancements in credit and debit cards, wallets and mobile wallets, online banking e-payments, direct debit, in invoice and pay later solutions, cash payments and cryptocurrencies, as outlined in the Payment Methods Report of 2019.

According to Sobczak (2022), institutions are increasingly turning to IT solutions, including software robots, to automate procedures and drive digital transformation. Additionally, Swan (2017) noted that an automated economy, which focuses on the operations of the economy, is applicable in situations where robotic technology complements or replaces human labor.

Anagnoste (2017) observed that robotic automation has led to a change in the employment structure, requiring the redeployment of employees to more advanced tasks that create greater added value, but also necessitating the retraining of some employees. It is worth mentioning that the banking sector is particularly affected by robotic process automation, as noted by Kedziora and Penttinen (2020). What then could be the situation in the bank in Soroti as the area of study, the researcher was to find out while in the field.

2.3. Influence of individual micro-lending as the Bank's sole lending technology.

With reference to Centenary Rural Development Bank, Uganda: A flagship of rural bank reform in Africa Article in Small Enterprise Development (September 2019) accessed on 23/01/2024, states that small enterprises and most of the poor population in sub-Saharan Africa have very limited access to deposit and credit facilities and other financial services provided by formal financial institutions. For example, in Ghana and Tanzania, only about 5–6 percent of the population has access to the banking sector. This lack of access to financial services from the formal financial system is quite striking, when one considers that in many African countries the poor represent the largest share of the population and that the informal sector is an important part of the economy.

To meet unsatisfied demand for financial services, a variety of microfinance institutions (MFIs) has emerged over time in Africa. Some of these institutions concentrate only on providing credit, others are engaged in providing both deposit and credit facilities, and some are involved only in deposit collection. Throughout the paper, the term “microfinance institutions” is used as commonly defined, that is, to designate financial institutions dedicated to assisting small enterprises, the poor, and households who have no access to the more institutionalized financial system, in mobilizing savings, and obtaining access to financial services. Institutions offering microfinance services are very diverse, including commercial banks, state-owned development banks, and postal offices.

Brown, R., and Davis, C (2020) says that in a group-lending contract, each borrower obtains a loan for her/his project and the liability was a joint account. This joint liability induces group members to self-select each other and provides an incentive for peer monitoring. Various researchers argue that the group-lending mechanism as a major innovation of MF movement can potentially deal with information asymmetry and improve the lender's repayment rate. Borrowers in the group lending have perfect knowledge of each other. Moreover, everyone wants to form a group with safe borrowers, which reduces adverse selection on the one hand, and since joint liability encourages borrowers in a group to monitor each other on the other, it will alleviate moral hazard problems.

Armendariz and Morduch noted that the group-lending methodology can transfer the whole or part of the job usually done by the lender into customers. This position comprises screening clients and monitoring their efforts.

Despite its advantages, the group-lending methodology suffers from some disadvantages such as the risk of contagion if one of the members is unable to meet the repayment.

Khavul concludes that group-based MF has attracted more attention in the literature, but little is known about individuals who take microloans out of the group-lending formula, that is, the individual loans.

The individual loan is a loan provided to a one borrower who is solely responsible for its repayment since collateral is required. Individual lending requires greater up-front analysis of clients and their cash flow and, sometimes, frequent contact with customers during the term of the loan. Mortgage approvals and amounts are based on an applicant's eligibility and her/his debt capacity, which in turn are dependent upon some factors, including personal and business characteristics (age, gender, reputation, source and amount of income, the purpose of the loan, etc.).

Johnson, M., and Smith, K. (2019) argue that the majority of the Muslim population is excluded from conventional MF programs because of their religious sensitivities, which explains the need for an appropriate model that conforms to their beliefs and cultures. Adopting the Islamic banking principles by some MFIs can fill this lacuna. In this case, the MFI can neither charge nor pay interest (Riba). Instead, they can adopt the Islamic approach to poverty alleviation. This approach is a composite of charity-based and for-profit-based interventions. The charity-based approach involves several non-for-profit mechanisms, such as zakah (compulsory annual levy on wealth), waqf (perpetual trust), and qard-hasan (interest-free loan). These mechanisms must be used first to fulfill consumption needs, and then the profit-based instruments may be utilized in the second stage where microenterprises may be encouraged. The for-profit approach is based principally on trading, leasing, or direct financing in profit-loss sharing. According to Obaidullah and Khan, the Islamic banking principles can be used with prevalent MF models such as Grameen model, village bank model, credit unions, cooperatives, or self-help groups. What then could be the situation in the bank in Soroti as the area of study, the researcher was to find out while in the field.

2.4. The influence of financial services and outreach by the Bank

Financial service outreach correlates Article in International Journal of Social Economics · April 2015 and accessed on 18/01/2024 states that Centenary Rural Development Bank, Uganda: A flagship of rural bank reform in Africa Article in Small Enterprise Development

(September 2017) accessed on 17/01/2024 establishes that in mid-1998, Centenary introduced agricultural lending in a pilot test in all its ten branches and subsequently extended it to the newly acquired branches. Its approach was prudent and gradual. In each branch, areas of operation were determined by a team of loan officers on the basis of the commercial potential of the crops grown, soil quality, rain fall, accessibility, and cultural factors of entrepreneurial and financial behavior.

Established in July 1998 as the lead branch of agricultural lending; the ground had been prepared by the USAID-supported IDEA project, which provided technical assistance to farmers in the commercialization of their products. The loan officers divided the area into low lands (with rice, maize, cassava, millet, sorghum and, bananas as well as coffee and cotton as major cash crops) and high lands (with potatoes, bananas, vegetables, citrus fruit and coffee as major cash crops). They identified about 20 areas, each with some eight villages and 400 households on average. With the assistance of local leaders, the loan officers held customer education training sessions in the local language on all relevant aspects of banking, which were deepened in *loan sessions* at the time of disbursement. Particular emphasis was placed on the importance of timely repayment and the associated incentives. Through the interaction at local level, contact clients, motivated by the prospect of faster graduation to bigger loans, helped expanding.

Within three years, the number of agricultural loans outstanding in the Bank reached 3,000 and the portfolio outstanding Ush 2,9bn: 13% of all active borrowers and 14.5% of the portfolio outstanding as of June 2017. In a country with 83% of the population in agriculture, the potential for growth is virtually unlimited. However, at present it is Centenary's policy to limit its agricultural lending to 25% of its portfolio. The Mbale branch is the Bank's experimental station in agricultural lending. It accounts for 59% of all agricultural borrowers and 49% of the agricultural portfolio (June 2017). However, what could be revealed in Centenary Bank, Soroti area of study.

Financial service outreach correlates Article in International Journal of Social Economics in April 2015 and accessed on 18/01/2024 say that the provision of access to microfinance services to those unable to access it from the formal financial sector is classified as outreach. Financial service outreach therefore refers to the number of clients served. Outreach is an important aspect of microfinance in view of the fact that the fundamental aim of microfinance is to reach the largest number of unserved poor borrowers who do not have access to financial services. Outreach performance to the poor borrowers is commonly understood as the number of clients served but can have an extended view in four aspects: the number of persons now

served but previously had no access to formal financial services depth of outreach which can be measured in terms of breadth, scope and length.

The branch of Centenary in Mbale, a small town with five banks and several NGOs, differs from other branches in that its main business is agricultural lending: 65% of its customers, and 56% of the volume of loans outstanding, are in agriculture. The branch has a staff of 28, among them 13 loan officers. The branch experienced its most rapid growth during its first year of operation, with a saver outreach of 7,641 and a borrower outreach of 1,606 by end-1999. As of June 2001, it served 13,853 depositors and 2,646 borrowers, with Ush 1.67bn in deposits and Ush 2.01bn in loans outstanding. This makes the branch is a deficit unit, with loans outstanding exceeding deposits. Agricultural lending has thus enabled Centenary in Mbale to beat the competition. In terms of repayment, the Mbale branch is among the best performers. Its arrears ratio is a mere 1.51 % (June 2001), with an even lower figure for its agricultural portfolio (1.20%). Miraculously, the portfolio of the Mbale branch has been virtually unaffected by the bumper crop and the resulting precipitous drop in agricultural prices of early 2002. Its staff has earned maximum performance incentives throughout. Like all branches it is audited thrice a year by the internal auditors, twice by the branch operations supervisors, twice by the credit supervisors from head office and once annually by external auditors and central bank examiners.

The branch operates profitably, with an operational sustainability rate of 157 % (*operational income over expenditure*). It reached its break-even point within 8 months, in February 1999. How did the branch accomplish sustainability and outreach in such a short period of time, and with its main business in agriculture? There are three major factors;

- Prudent staff selection and specialization on agricultural lending;
- Holistic loan appraisal;
- Rigorous enforcement of repayment through immediate recovery action, supported by a computerized system of instant arrears information, combined with powerful staff and customer incentives.

Managerial competence and financial service outreach recently, managers of MFI's have been faulted on account of lack of appropriate skills which may lead to poor quality services hence affecting outreach.

Studies (Day, 2007; Rhyne and Otero, 2006; Dittmar and Mahrt-Smith, 2007; Kereta, 2009; Lorber and Savič, 2011), suggest that there is a relationship between managerial competence and microfinance services outreach. Day (2018) suggests that MFI firms can actively utilize

job assignment to groom their managers with high potential for advancement for leadership role which will be helpful in designing heterogeneous products that target poor borrowers. Consequently, managers play a big role in setting up organization structures and leadership styles which will be necessary in meeting the borrower's financial needs thus financial service outreach. Indeed, it can further be observed that regulated micro finances employ skilled manpower that listen to borrower's complaints and preferences as well as training them on a range of products and services. Therefore competent managers are likely to foster good financial outreach of the MFIs that they manage. This presumption is likely to be true as Dittmar and Mahrt-Smith (2007) show that good governance is able to double the value of cash holdings of MFIs as compared to poorly governed MFIs; also revealing that the market values of excess cash for well-governed firms are about one half times of the market value of excess cash of poorly governed firms which ultimately determines the extent to which MFIs can reach the poor.

Fernando, 2006; Kraus et al., 2018) suggest an inverse relationship between low risk-taking behaviour and financial service outreach. Studies by Hartarska and Nadolnyak (2017) and Rosenberg et al. (2009) argue that the increased competitions among MFIs are likely to affect financial service outreach as the behaviours of managers tend to follow this trend in deciding on whom to serve. Similarly, Hartarska and Nadolnyak (2017), observe that regulation in MFIs influences the manager's decision in taking risk in financial matters. Cull et al. (2007) found that managers of MFIs in Pakistan who take risk in providing financial services to individuals than group lending are more profitable but hurt outreach. They suggest that MFIs that focus on providing loans to individuals perform better in terms of profitability. Fernando (2006) observes that credit does not reach the poorest of the poor due to the self-selection of credit-worthy borrowers, determined according to their ability to pay. Additionally (Kraus et al.2011) find low risk-taking behaviour and outreach of microfinance services in risky environment since the interest rates will be too high. They argue that risky environment of developing countries (including Uganda) is marked by greater uncertainty as the market place is less well institutionalized; leading to investment decisions based on imperfect information thus affecting outreach. The high-risk environment also leads to high interest rates, due to the cost of getting loans repaid. What thus could be the case in Centenary bank Soroti; this research will undertake the initiative to establish the facts in the field.

2.5. Summary

The literature review revealed that quite a number of scholars' associate Strategic Managerial competence and risk-taking behaviour are true drivers of outreach performance in MFIs. However, while the direct relationship between managerial competence and financial service outreach without the mediation effect of risk-taking behaviour of managers was found to be significant, its magnitude reduces when mediation of risk-taking behaviour is allowed. This concludes that the entire effect does not only go through the main hypothesized predictor variable (managerial competence) but majorly also, through risk-taking behaviour of managers including lack of access to financial services. This lack of access to financial services from the formal financial system is quite striking, when one considers that in many African countries the poor represent the largest share of the population and that the informal sector is an important part of the economy. Due to the huge shift in banking services performance, FinTech has become an indispensable element in their daily activities, and banks are struggling to lead in this domain under a fierce competition environment. The researcher therefore anticipates similar findings looking at the trend of results attained by other scholars as relates to examining impact strategic management on organizational performance, case study of Centenary Bank Soroti Branch.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presents the methodology that was used in the study. It comprised of the research design, study population, sample size, sampling techniques, data collection methods and instruments, procedure of data collection, data analysis and management, data quality control and measurement of variables on the topic detailing to the impact strategic management on organizational performance, case study of Centenary Bank, Soroti Branch.

3.1 Research Design

A research design is regarded as the conceptual structure within which research is conducted (Kothari, 2002). The study will use a descriptive case study design. Yin (1981, 1984) described the design of case study as a research strategy which focuses on understanding the dynamics present within single a setting. Yin (1984) further adds that case studies typically combine data collection methods such as interviews, questionnaires, and observations.

In addition, the quantitative approach was used to quantify and analyze the data gathered from the study sample while the qualitative approach was used to collect in-depth data using interviews and focus group discussion. Mukiibi (2001) points out that although a particular research study was predominantly of one research design, a mixture of the two designs (triangulation) is ideal in order to avoid weaknesses of the other methods being applied in this research.

3.2 Study Population

A population refers to the total number of elements that will be involved in a study, at a particular time. The target population comprised of employees and customers in Centenary Bank Soroti Branch, totaling over 179 (Centenary Bank Soroti Branch 5 years' Plan 2020/2021-2024/2025).

However, the study was conducted in Centenary Bank Soroti Branch these included the sales and marketing department and management. Classification of the respondents included the

bank leadership that comprised the managers, Banking Officers and support staff, loan officers, ATM officers, promotion officers and customers.

3.3 Determination of the Sample Size

Sample size refers to a maximum number of respondents that was representative of an entire population. In other words, it is the subset of a population. From the above identified accessible population of 179 respondents, a sample size of 121 respondents were determined based on the Krejcie and Morgan Mathematical Table (1970) as cited in Amin, (2005).

Table 1: Accessible population, Sample size and Sampling Techniques

Category	Accessible Population	Sample Size	Sampling Techniques
Managers	03	03	Purposive Sampling
Customers	150	92	Simple Random Sampling
Banking Officers and support staff	13	13	Purposive Sampling
Marketing officers	11	11	Purposive Sampling
ATM officers	2	2	Purposive Sampling
TOTAL	179	121	

Source: Centenary Bank Soroti Branch (2020/21 – 2024/25) and determined based on the Krejcie & Morgan Mathematical Table (1970) by the Researcher (2024)

3.4 Sampling Techniques and procedure

According to John et al (2016), sampling is used to get information about a population. This is because it is often too expensive, time consuming, practically impossible or simply unnecessary to canvass the whole population. This study used a combination of both simple random and purposive (nonrandom) sampling techniques. Simple random sampling was used because of its simplicity and the ability that allowed all respondents an equal chance that was included in a sample. This technique was applied on identification of managers, Banking Officers and support staff, Marketing and loan officers and ATM officers to whom the questionnaires were administered. On the other hand, purposive sampling a method was used

to select key informants for interviews. These included the managers. Purposive method was considered appropriate because it enabled the researcher to select the exact people who were involved in Centenary Bank Soroti Branch as the area under study.

3.5 Data Collection Methods

The study used two data collection methods namely; interview and questionnaire methods to aid in the collection of data. These were further explained as below.

3.5.1 Interview Method

Interviews were also be used to collect data from key informants who included bank customers. This enabled the researcher to collect valuable in-depth information on the topic under study through probing for answers.

Field (2006) says that an interview guide is developed as a tool to guide the researcher during the interviews and contained mainly open ended. The method enabled the respondents to give detailed answers to the questions in the interview guide. According to Babbie (2007), interviews increased the response rate since respondents could not ignore the interviewer in front of them. Besides, the interviewer got the opportunity to probe for answers hence reducing on the non-response.

3.5.2 Questionnaire Survey Method

The questionnaire consisted mainly of close ended items based on a five point likert scale including SA (5), 4(A), 3(NS), D(2) and SD(1). The method allowed self- administration of the questionnaires to the respondents. This reason for this choice to respondents allowed enough space and time to complete the questionnaires. This method enabled the obtaining of specific information on each of the research questions.

The questionnaire was delivered to and retrieved from the respondents by the researcher with the help of research assistants. This helped to increase the response rate and minimize loss of the questionnaire. Furthermore, Amin (2005) points out that this method enables the respondents to give sensitive information without fear, which was identified while in the field.

3.6 Data Collection Instruments

Two main research instruments were used in the study including the interview guide and self-administered questionnaire on the topic detailing the impact strategic management on organizational performance, case study of Centenary Bank, Soroti Branch.

3.6.1 Interview Checklist

The interview guide was used to collect data from key informants who included Banking Officers and support staff, Bank Managers. Interviews involved face to face discussions on issues pertaining to the impact strategic management on organizational performance. The choice of the method enabled the researcher to gain relationship with the respondents, in addition to enabling the researcher to probe for in-depth information and obtain clarity on any unclear issues as regards the impact strategic management on organizational performance, case study of Centenary Bank, Soroti Branch.

3.6.2 Self-administered Questionnaire (SAQ)

The questionnaires were self-administered and these were close ended items which were easily interpreted by the respondents. Some items contained a list of alternatives from which respondents chose answers of their choice. In addition, the study used a five (5) likert scale ranging from 1 for strongly disagree to 5 for strongly agree to mean that the higher the number. This was useful in the study as it helped in determining the relationship among the variables under investigation.

3.7 Validity and Reliability

To ensure quality instruments, validity and reliability checks were conducted as explained below;

3.7.1 Validity of the Instrument

Validity, according to Mugenda and Mugenda (2003) refers to the degree to which results that were obtained from the analysis of the data actually represent the phenomenon under study. In this particular study, the designed questionnaires were scrutinized by the researcher's supervisor to evaluate the items in the instrument, in order to ascertain and they aided in answering the objectives of the study. Content validity index (CVI) was computed to ensure that the measure includes an adequate and representative set of items that were tapped into

examining the impact strategic management on organizational performance, case study of Centenary Bank, Soroti Branch.

3.7.2 Reliability of the Instrument

Reliability is the degree to which an assessment tool produces stable and consistent results (Amin, 2005). The closer Cronbach's alpha is to 1 (one), the higher the internal consistency reliability. To ensure reliability, the research instruments were pre-tested and data was collected and analyzed. A micro field research exercise was carried out to enable the researcher select the key questions that enabled the researcher to obtain the relevant data to the topic under study.

In addition, the reliability measure was established by testing for both consistency and reliability. Consistency was indicated on how well the items measuring a concept hanged together as a set, (Sekaran, 2003). Qualitative responses were obtained from the group of 10 respondents and pretested using the Cronbach's alpha reliability coefficient a feature embedded in Microsoft word and excel computer systems that revealed positively that correlate to one another.

3.8 Procedure of Data Collection

- After defending the proposal and making final corrections, the researcher obtained an introductory letter from the University, to introduce her to the study area.
- The researcher then sought permission from the management of Centenary Bank, Soroti Branch to conduct the study.
- Once permission was granted, the researcher recruited and trained three research assistants whose role was entirely to administer the questionnaires, while the key informant interviews and focus group discussions were personally be conducted by the researcher. The data collection exercise took one month.

3.9 Data Management and Analysis

Data was managed and analyzed both quantitative and qualitatively as detailed below;

3.9.1 Quantitative Data Analysis

According to Sekaran (2003), there were three objectives of data analysis which include; getting a feel for the data, testing the goodness of the data and testing the hypotheses developed for the research. A computer application (Microsoft word and excel) was used to enter and analyze the numerical data that was collected from the questionnaires. After data collection, the researcher organized data by counting the responses from the questionnaires, coding and tabulating them, after which the results were presented in groups according to the three research questions.

3.9.2 Qualitative Data Analysis

For qualitative data analysis, content analysis technique was applied. This exercise involved analysis and arrangement of the content that was based on themes or narrative statements and this qualitative data was used to supplement on the quantitative information (Amin, 2005).

3.10 Measurement of Variables

The study variables were categorised into the core independent variable and dependent variables. In this case, strategic management formed the independent variable while organizational performance in Centenary bank Soroti branch represented the dependent variable. The variable measurement was based on a five point likert scale of: 5 = strongly agree (SA); 4 = agree (A); 3 = Undecided (UD); 2 = disagree (D); 1 = strongly disagree (SD) and will be measured based on the ordinal measure since the items were ranked or numerical data. On the other hand, nominal measurement were used on background variables, such as age, gender and experience, among others on the topic of the impact strategic management on organizational performance, case study of Centenary Bank, Soroti Branch.

3.10 Limitations and delimitations to the study

- **Time:** The time that was allowed to do this research was not enough to the exhaustive study and obtained all the essential information for much more suitable conclusions however, the researcher limited herself to only three specific objectives that were followed within the short time that was available.
- **Financial Constraints:** The Researcher was limited by financial resources such as the transport costs and stationery to carry out her research effectively, however, the study was conducted within the available budget line.

- Slow or non- response: Since the researcher did not know the kind of respondents to deal with, some of them failed to respond or delay to do so, the researcher had to organize more than the required number of respondents and only sampled out 121 out of 179.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0. Introduction

The chapter presents findings of the study and interpretation of data collected on the impact of strategic management on organizational performance, case study of Centenary Bank Soroti Branch. This research considered the influence of financial technology system on daily loan tracking backed by staff and customer incentives, influence of individual micro-lending as the Bank's sole lending technology, and influence of financial services and outreach in Centenary Bank Soroti Branch.

4.1 Bio data of the respondents

The study explored the background information of respondents and variables such as gender, age, and the level of education was examined as showed in following data.

4.1.1 Findings on sex of the respondents

The study had both male and female respondents and male persons were more than female ones the researcher interacted with and the results were presented as in the table: I below;

Table 2: Sex distribution of respondents

Sex	Frequency	percentages
Male	38	31.40%
Female	83	68.60%
Total	121	100%

Source: Primary data (2024)

From the findings in table 2 above shows the majority of respondents are female (69 percent), (31 percent) male among 100 respondents. This implies that the study's highest percentage is represented by female respondents who the influence financial technology system on daily loan

tracking backed by staff and customer incentives, influence of individual micro-lending as the Bank’s sole lending technology, and influence of financial services and outreach in Centenary Bank Soroti Branch.

4.1.2 Findings on Age bracket of respondents

The study explored the age of respondents considered in the study. Accordingly four age brackets were examined and the results were presented in the table below.

Table 3: Age bracket of respondents

Age bracket	Frequency	Percentages
20 -29 years	45	37%
30-39 years	36	30%
50-59 years	32	26%
Above 60 years	8	7%
	121	100%

Source: Primary data (2024)

Findings in table 3 (above) indicated that majority of the respondents were 37 percent which was between the age bracket of 20 to 29 years, followed by 30 percent with the age of 30-39 years. 26 percent is 50-59 years and 8 percent above 60 years. This implies that there were adequate representation of the study population and data provided represented the views of age groups therefore the impact of strategic management on organizational performance, case study of Centenary Bank Soroti Branch is well represented in terms of knowledge base and skill.

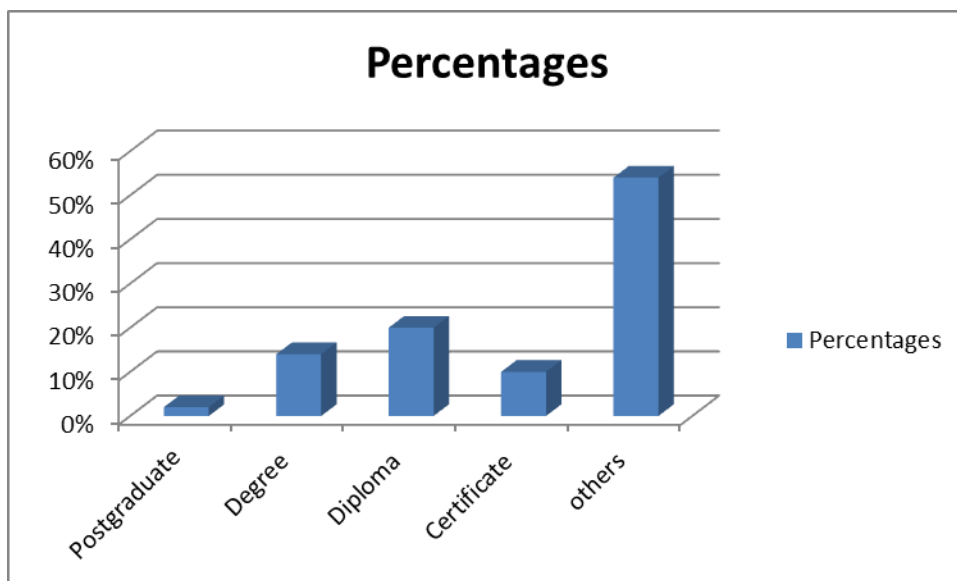
4.1.3 Findings on level of education

Table 4: level of education

Level of Education	Frequency	Percentages
Postgraduate	3	2%
Degree	17	14%
Diploma	24	20%
Certificate	12	10%
others	65	54%
Total	121	100%

Source: Primary data (2024)

Figure 2: level of education



Source: Primary data (2024)

From figure 2, the majority of the respondents 54 percent are specified others which include primary school and lower secondary education and 17 percent are degree holders, diploma, 20 percent and certificate, 10 percent. This implies that the respondents have at least a minimum level of education which makes the work of dependable and reliable as regards skills,

knowledge and abilities on the impact of strategic management and organizational performance, case study of Centenary Bank Soroti Branch.

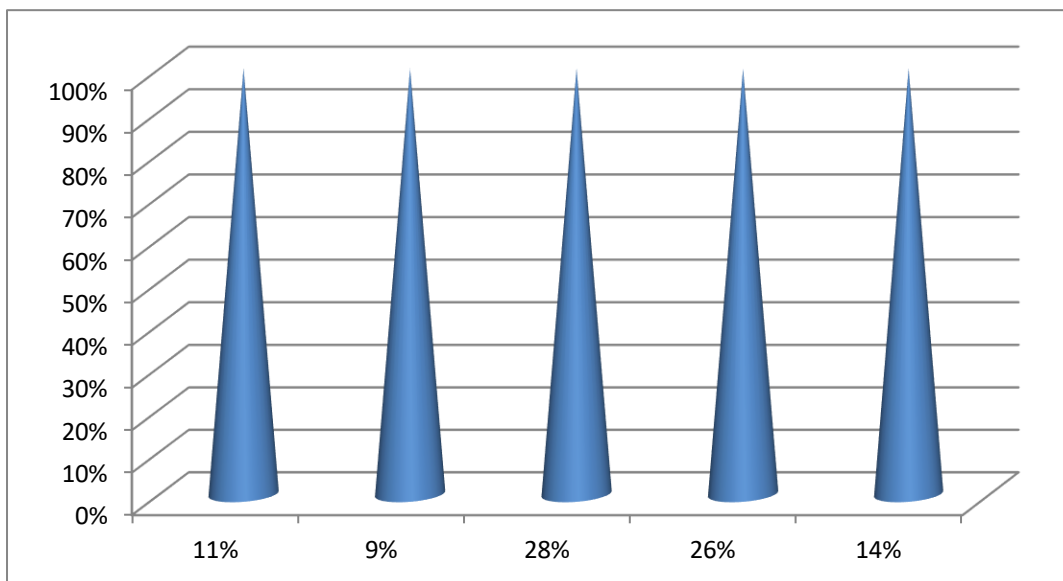
4.1.4 Position held at the Bank by the respondents

Table 5: Position held at the Bank

Position	Number	Percentage
Manager	2	2%
Customers	109	90%
Loan officers	5	4%
ATM Controller	2	2%
Others	3	2%
Total	121	100%

Source: Primary data (2024)

Figure 3: Position held at the Bank by the respondents



Source: Primary data (2024)

From the findings above in graph 2, respondents shows that managers constitute 2 percent, Customers are 90 percent, loan officer 4 percent, ATM controller 2 percent, and others 3 percent. These included security personnel at the bank during the study. This therefore means that the degree of responses is from respondents who understand well how centenary bank

transactions are held as far as strategic management on organizational performance of Centenary Bank Soroti Branch is concerned.

4.2.1 Research question one: Influence of financial technology system on daily loan tracking backed by staff and customer incentives of the bank

When this question on the Influence of financial technology system on daily loan tracking backed by staff and customer incentives of the bank was put to the respondents, the question generated the following responses in table 4.5; basing on the Likert scale below; 5 Strong Agree 4 Agree 3 Disagree 2 Strongly Disagree 1 Uncertain

Table 6: Influence of financial technology system on daily loan tracking backed by staff and customer incentives of the bank

Influence of financial technology system on daily loan tracking backed by staff and customer incentives of the bank	1	2	3	4	5
FinTech represents a novel financial model, combining technological innovation with financial services.	5%	11%	16%	27%	41%
It employs emerging scientific and technological means such as online settlement, mobile payments, and cloud computing to extend various financial services, including account settlement, investment management, and credit facilities	11%	9%	16%	36%	28%
Essential importance in shaping the future prospect of the banking sector	11%	28%	15%	21%	25%
Achieving financial inclusion by adopting retail payment systems, electronic payments and innovative solutions that benefit potential segments of the community, in rural areas and also for women	5%	26%	3%	18%	48%
Creating opportunities for the banking industry to integrate pioneering FinTech solutions, reduce costs, enhance flexibility, attract deposits and promote financial inclusion	2%	14%	11%	29%	44%
Assessing banks' management efficiency in attracting more deposits from current and potential clients; the higher the deposit volume, the more efficient banks management	36%	4%	5%	23%	32%

It assesses the bank's ability in generating more profit for investors, the higher the Net Profit Margin means that the bank can sustain any future undesirable shocks that may come across during its course of business	2%	24%	15%	28%	31%
FinTech can manifest broadly through digitalization within the financial services sector by considering possible financial solutions via information technology	15%	24%	12%	32%	17%
The use of technology in the banking sector is to produce banking services and products that meet customer needs and desires	5%	3%	7%	34%	51%
In recent years, the payment industry has gained new insights that have led to the improvement of payment methods for individuals in various circumstances, regions and environments. These insights include advancements in credit and debit cards, wallets and mobile wallets, online banking e-payments, direct debit, in invoice and pay later solutions, cash payments and crypto currencies	12%	4%	7%	24%	53%
Robotic automation has led to a change in the employment structure, requiring the redeployment of employees to more advanced tasks that create greater added value, but also necessitating the retraining of some employees.	41%	4%	7%	25%	23%

Source: Primary data (2024)

With reference to table 6 above, FinTech represents a novel financial model, combining technological innovation with financial services shows over 60%, It employs emerging scientific and technological means such as online settlement, mobile payments, and cloud computing to extend various financial services, including account settlement, investment management, and credit facilities gave 64% responses, Essential importance in shaping the future prospect of the banking sector over 46%, Achieving financial inclusion by adopting retail payment systems, electronic payments and innovative solutions that benefit potential segments of the community, in rural areas and also for women 66%, Creating opportunities for the banking industry to integrate pioneering FinTech solutions, reduce costs, enhance flexibility, attract deposits and promote financial inclusion 73%, Assessing banks' management efficiency in attracting more deposits from current and potential clients; the

higher the deposit volume, the more efficient banks management represents over 55%, It assesses the bank's ability in generating more profit for investors, the higher the Net Profit Margin means that the bank can sustain any future undesirable shocks that may come across during its course of business over 59%; FinTech can manifest broadly through digitalization within the financial services sector by considering possible financial solutions via information technology 49%, The use of technology in the banking sector is to produce banking services and products that meet customer needs and desires 85%; In recent years, the payment industry has gained new insights that have led to the improvement of payment methods for individuals in various circumstances, regions and environments. These insights include advancements in credit and debit cards, wallets and mobile wallets, online banking e-payments, direct debit, in invoice and pay later solutions, cash payments and crypto currencies 79%; 47% Robotic automation has led to a change in the employment structure, requiring the redeployment of employees to more advanced tasks that create greater added value, but also necessitating the retraining of some employees while those who were negative are represented by 45%. These findings are in line with the literature review that states that FinTech represents a novel financial model, combining technological innovation with financial services. It employs emerging scientific and technological means such as online settlement, mobile payments, and cloud computing to extend various financial services, including account settlement, investment management, and credit facilities (Hafez et al. 2023; Schueffel 2016).

Despite mobile phone usage exceeding 100 percent, the banking sector in Jordan has less than 35 percent of the total customer population. The CBJ has made significant efforts towards achieving financial inclusion by adopting retail payment systems, electronic payments and innovative solutions that benefit potential segments of the community, in rural areas and also for women. Additionally, CBJ is developing legal frameworks that protect electronic transactions, creating opportunities for the banking industry to integrate pioneering FinTech solutions, reduce costs, enhance flexibility, attract deposits and promote financial inclusion (De Roure et al. 2021). Financial technology is a group of innovative services braced by progressions of information and communication technologies and systems (Barbu et al. 2021). While Abad-Segura et al. (2020) defined FinTech as containing pioneering entities that extend financial services, based primarily on technology. Financial technology encompasses computer software and technologies that enable banking services, toward the invention of numerous banking transactions, such as online payment, credit cards, wiring money, e-money, ATM, etc. (Nurlaela et al. 2020). It also denotes the adoption of the Internet and computerized expansions

within the financial sector services (Zaghol et al. 2021). Thus, FinTech reflects the adoption of technology by the financial sector services (Gai et al. 2018).

The use of technology in the banking sector is to produce banking services and products that meet customer needs and desires (Mbama 2018). Friedline et al. (2018) proclaim that FinTech enabled all society segments to obtain better financial inclusion and FinTech improvement inside a country can be accredited to its affirmative impact on banking institutions and the public. FinTech displays a major function in decreasing the number of credit facilities that bear high interest rates. Petralia et al. (2019) also added that the FinTech introduction and its progress have substantial effects on conventional banking business models. Likewise, FinTech now is prevailing in diverse financial fields, such as lending, deposit, investment, account settlement and raising capital (Nguyen et al. 2021) just like it is in centenary Branch, Soroti Branch.

4.2.2: Research Question 2: Influence of individual micro-lending as the Bank’s sole lending technology in the Bank

When this question on Influence of individual micro-lending as the Bank’s sole lending technology in the Bank was put to the respondents, the following responses were generated as in table 7;

Table 7: Influence of individual micro-lending as the Bank’s sole lending technology in the Bank

Influence of individual micro-lending as the Bank’s sole lending technology in the Bank	1	2	3	4	5
Access to deposit and credit facilities and other financial services provided by formal financial institutions	27%	2%	4%	23%	44%
The poor represent the largest share of the population and that the informal sector is an important part of the economy	1%	0%	2%	19%	78%
Designate financial institution dedicated to assisting small enterprises, the poor, and households who have no access to the more institutionalized financial system, in mobilizing savings, and obtaining access to financial services	5%	1%	3%	21%	70%
In a group-lending contract, each borrower obtains a loan for her/his project and the liability can be joint; this joint	1%	3%	8%	20%	68%

liability induces group members to self-select each other and provides an incentive for peer monitoring					
As a major innovation of MF movement can potentially deal with information asymmetry and improve the lender's repayment rate.	55%	4%	10%	16%	15%
Small borrowers in the group lending have perfect knowledge of each other.	1%	0%	5%	12%	82%
Since joint liability encourages borrowers in a group to monitor each other on the other, it will alleviate moral hazard problems characterized by village bank model, credit unions, cooperatives, or self-help groups	0%	0%	3%	20%	77%
Despite its advantages, the group-lending methodology suffers from some disadvantages such as the risk of contagion if one of the members is unable to meet the repayment	0%	0%	0%	10%	90%
Mortgage approvals and amounts are based on an applicant's eligibility and her/his debt capacity, which in turn are dependent upon some factors, including personal and business characteristics (age, gender, reputation, source and amount of income, the purpose of the loan, etc.)	0%	0%	5%	15%	80%

Source: Primary data (2024)

According to the question on influence of individual micro-lending as the Bank's sole lending technology in the Bank was put to the respondents, the following responses were generated as in table 7 above, the following were the findings; Access to deposit and credit facilities and other financial services provided by formal financial institutions 67%; The poor represent the largest share of the population and that the informal sector is an important part of the economy over 97%; Designate financial institution dedicated to assisting small enterprises, the poor, and households who have no access to the more institutionalized financial system, in mobilizing savings, and obtaining access to financial services 91%, In a group-lending contract, each borrower obtains a loan for her/his project and the liability can be joint; this joint liability induces group members to self-select each other and provides an incentive for peer monitoring 88%, As a major innovation of MF movement can potentially deal with information asymmetry and improve the lender's repayment rate 31%; Small borrowers in the group lending have

perfect knowledge of each other 94%; Since joint liability encourages borrowers in a group to monitor each other on the other, it will alleviate moral hazard problems characterized by village bank model, credit unions, cooperatives, or self-help groups 97%; Despite its advantages, the group-lending methodology suffers from some disadvantages such as the risk of contagion if one of the members is unable to meet the repayment 100%; Mortgage approvals and amounts are based on an applicant's eligibility and her/his debt capacity, which in turn are dependent upon some factors, including personal and business characteristics (age, gender, reputation, source and amount of income, the purpose of the loan, etc.). With reference to Centenary Rural Development Bank, Uganda: A flagship of rural bank reform in Africa Article in Small Enterprise Development (September 2019) accessed on 23/01/2024, states that small enterprises and most of the poor population in sub-Saharan Africa have very limited access to deposit and credit facilities and other financial services provided by formal financial institutions. For example, in Ghana and Tanzania, only about 5–6 percent of the population has access to the banking sector. This lack of access to financial services from the formal financial system is quite striking, when one considers that in many African countries the poor represent the largest share of the population and that the informal sector is an important part of the economy which is not the case in Centenary Bank, Soroti Branch where the informal sector has a large access to financial services. Brown, R., and Davis, C (2020) says that in a group-lending contract, each borrower obtains a loan for her/his project and the liability was a joint account. This joint liability induces group members to self-select each other and provides an incentive for peer monitoring. Various researchers argue that the group-lending mechanism as a major innovation of MF movement can potentially deal with information asymmetry and improve the lender's repayment rate. Borrowers in the group lending have perfect knowledge of each other. Moreover, everyone wants to form a group with safe borrowers, which reduces adverse selection on the one hand, and since joint liability encourages borrowers in a group to monitor each other on the other, it will alleviate moral hazard problems.

4.2.3. Research question 3: The influence of financial services and outreach by the Bank

When this question on the influence of financial services and outreach by the Bank was put to the respondents, the following responses were generated as in table 8;

Table 8: Showing the influence of financial services and outreach by the Bank

The influence of financial services and outreach by the Bank	1	2	3	4	5
Fundamental aim of microfinance is to reach the largest number of unserved poor borrowers who do not have access to financial services	2%	2%	11%	20%	65%
Centenary has introduced agricultural lending in Soroti Branch	0%	0%	1%	4%	95%
The approach is prudent and gradual to its customers	0%	0%	0%	15%	85%
Areas of operation are determined by a team of loan officers on the basis of the commercial potential of the crops grown, soil quality, rain fall, accessibility, and cultural factors of entrepreneurial and financial behavior	3%	5%	2%	25%	65%
The loan officers held customer education training sessions in the local language on all relevant aspects of banking, which were deepened in loan sessions at the time of disbursement	0%	0%	0%	5%	95%
Particular emphasis of financial services is placed on the importance of timely repayment and the associated incentives	0%	5%	5%	20%	70%
Through the interaction at local level, contact clients, motivated by the prospect of faster graduation to bigger loans, help expanding	10%	13%	7%	15%	55%
There is sustainability and outreach in such a short period of time	35%	4%	10%	16%	35%
Regulated micro finances employ skilled manpower that listen to borrower's complaints and preferences as well as training them on a range of products and services	4%	0%	0%	9%	87%
The risky environment of developing countries is marked by greater uncertainty as the market place is less well institutionalized with high interest rates	1%	0%	2%	14%	83%

Source: Primary data (2024)

According to table: 8 (above) showing the influence of financial services and outreach by the Bank generated the following responses; fundamental aim of microfinance is to reach the largest number of unserved poor borrowers who do not have access to financial services 85%; Centenary has introduced agricultural lending in Soroti Branch 99%; The approach is prudent

and gradual to its customers 100%; Areas of operation are determined by a team of loan officers on the basis of the commercial potential of the crops grown, soil quality, rain fall, accessibility, and cultural factors of entrepreneurial and financial behavior 90%; The loan officers held customer education training sessions in the local language on all relevant aspects of banking, which were deepened in loan sessions at the time of disbursement 100%; Particular emphasis of financial services is placed on the importance of timely repayment and the associated incentives 90%; Through the interaction at local level, contact clients, motivated by the prospect of faster graduation to bigger loans, help expanding 52%; Regulated micro finances employ skilled manpower that listen to borrower's complaints and preferences as well as training them on a range of products and services 96%; The risky environment of developing countries is marked by greater uncertainty as the market place is less well institutionalized with high interest rates 97%. The findings relate to the literature reviewed in the sense that financial service outreach correlates Article in International Journal of Social Economics · April 2015 and accessed on 18/01/2024 states that Centenary Rural Development Bank, Uganda: A flagship of rural bank reform in Africa Article in Small Enterprise Development (September 2017) accessed on 17/01/2024 establishes that in mid-1998, Centenary introduced agricultural lending in a pilot test in all its ten branches and subsequently extended it to the newly acquired branches. Its approach was prudent and gradual. In each branch, areas of operation were determined by a team of loan officers on the basis of the commercial potential of the crops grown, soil quality, rain fall, accessibility, and cultural factors of entrepreneurial and financial behavior. Additionally (Kraus et al.2011) find low risk-taking behaviour and outreach of microfinance services in risky environment since the interest rates will be too high. They argue that risky environment of developing countries (including Uganda) is marked by greater uncertainty as the market place is less well institutionalized; leading to investment decisions based on imperfect information thus affecting outreach. The high-risk environment also leads to high interest rates, due to the cost of getting loans repaid hence low sustainability and outreach in such a short period of time in Centenary Bank, Soroti Branch.

Table 9: Showing Relationship between Strategic management status and Centenary bank performance in Soroti Branch

Correlations

	Socio-economic status	Academic performance
Strategic status	1.000	.837**
Pearson correlation	50	.025
Sig. (2 tailed) N		50
Centenary Bank performance	.837**	1.000
Pearson correlation	.025	50
Sig. (2 tailed) 50 N	50	

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

From the computation above in table 9, the findings indicate that the impact of strategic management affects organizational performance levels. This is positive significant relationship (r 0.837) implies that if strategic management status does perform it functions very well, Centenary bank, Soroti Branch performance will be highly be affected positively and when strategic management is not well performed, Performance measurement of the bank will be highly affected negatively.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents a summary of the findings, conclusions and recommendations based on research objectives.

5.1 Summary of the findings

5.1.1. The influence of financial technology system on daily loan tracking backed by staff and customer incentives in Centenary Bank Soroti Branch.

FinTech represents a novel financial model, combining technological innovation with financial services shows over 60%, It employs emerging scientific and technological means such as online settlement, mobile payments, and cloud computing to extend various financial services, including account settlement, investment management, and credit facilities gave 64% responses, Essential importance in shaping the future prospect of the banking sector over 46%, Achieving financial inclusion by adopting retail payment systems, electronic payments and innovative solutions that benefit potential segments of the community, in rural areas and also for women 66%, Creating opportunities for the banking industry to integrate pioneering FinTech solutions, reduce costs, enhance flexibility, attract deposits and promote financial inclusion 73%, Assessing banks' management efficiency in attracting more deposits from current and potential clients; the higher the deposit volume, the more efficient banks management represents over 55%, It assesses the bank's ability in generating more profit for investors, the higher the Net Profit Margin means that the bank can sustain any future undesirable shocks that may come across during its course of business over 59%; FinTech can manifest broadly through digitalization within the financial services sector by considering possible financial solutions via information technology 49%, The use of technology in the banking sector is to produce banking services and products that meet customer needs and desires 85%; In recent years, the payment industry has gained new insights that have led to the improvement of payment methods for individuals in various circumstances, regions and environments. These insights include advancements in credit and debit cards, wallets and mobile wallets, online banking e-payments, direct debit, in invoice and pay later solutions, cash

payments and crypto currencies 79%; 47% Robotic automation has led to a change in the employment structure, requiring the redeployment of employees to more advanced tasks that create greater added value, but also necessitating the retraining of some employees while those who were negative are represented by 45%. The bank employs emerging scientific and technological means such as online settlement, mobile payments, and cloud computing to extend various financial services, including account settlement, investment management, and credit facilities.

5.1.2. Influence of individual micro-lending as the Bank's sole lending technology in Centenary Bank Soroti Branch.

According to the question on influence of individual micro-lending as the Bank's sole lending technology in the Bank was put to the respondents, the following responses were generated as in table 7, the following were the findings; Access to deposit and credit facilities and other financial services provided by formal financial institutions 67%; The poor represent the largest share of the population and that the informal sector is an important part of the economy over 97%; Designate financial institution dedicated to assisting small enterprises, the poor, and households who have no access to the more institutionalized financial system, in mobilizing savings, and obtaining access to financial services 91%, In a group-lending contract, each borrower obtains a loan for her/his project and the liability can be joint; this joint liability induces group members to self-select each other and provides an incentive for peer monitoring 88%, As a major innovation of MF movement can potentially deal with information asymmetry and improve the lender's repayment rate 31%; Small borrowers in the group lending have perfect knowledge of each other 94%; Since joint liability encourages borrowers in a group to monitor each other on the other, it will alleviate moral hazard problems characterized by village bank model, credit unions, cooperatives, or self-help groups 97%; Despite its advantages, the group-lending methodology suffers from some disadvantages such as the risk of contagion if one of the members is unable to meet the repayment 100%; Mortgage approvals and amounts are based on an applicant's eligibility and her/his debt capacity, which in turn are dependent upon some factors, including personal and business characteristics.

5.1.3. Influence of financial services and outreach in Centenary Bank Soroti Branch

the influence of financial services and outreach by the Bank generated the following responses; fundamental aim of microfinance is to reach the largest number of unserved poor borrowers who do not have access to financial services 85%; Centenary has introduced agricultural lending in Soroti Branch 99%; The approach is prudent and gradual to its customers 100%; Areas of operation are determined by a team of loan officers on the basis of the commercial potential of the crops grown, soil quality, rain fall, accessibility, and cultural factors of entrepreneurial and financial behavior 90%; The loan officers held customer education training sessions in the local language on all relevant aspects of banking, which were deepened in loan sessions at the time of disbursement 100%; Particular emphasis of financial services is placed on the importance of timely repayment and the associated incentives 90%; Through the interaction at local level, contact clients, motivated by the prospect of faster graduation to bigger loans, help expanding 52%; Regulated micro finances employ skilled manpower that listen to borrower's complaints and preferences as well as training them on a range of products and services 96%; The risky environment of developing countries is marked by greater uncertainty as the market place is less well institutionalized with high interest rates 97%. Centenary Bank introduced agricultural lending in a pilot test in all its ten branches and subsequently extended it to the newly acquired branches. In each branch of Centenary bank, areas of operation are determined by a team of loan officers on the basis of the commercial potential of the crops grown, soil quality, rain fall, accessibility, and cultural factors of entrepreneurial and financial behavior of the customers to the bank.

5.2 Conclusions of the findings

5.2.1. The influence of financial technology system on daily loan tracking backed by staff and customer incentives in Centenary Bank Soroti Branch.

FinTech represents a novel financial model in Centenary bank, Soroti Branch, combining technological innovation with financial services. It employs emerging scientific and technological means such as online settlement, mobile payments, and cloud computing to extend various financial services, including account settlement, investment management, and credit facilities. Achieving financial inclusion by adopting retail payment systems, electronic payments and innovative solutions that benefit potential segments of the community, in rural areas and also for women; Creating opportunities for the banking industry to integrate

pioneering FinTech solutions, reduce costs, enhance flexibility, attract deposits and promote financial inclusion; Assessing banks' management efficiency in attracting more deposits from current and potential clients; the higher the deposit volume, the more efficient banks management, It assesses the bank's ability in generating more profit for investors, the higher the Net Profit Margin means that the bank can sustain any future undesirable shocks that may come across during its course of business. FinTech can manifest broadly through digitalization within the financial services sector by considering possible financial solutions via information technology. The use of technology in the banking sector is to produce banking services and products that meet customer needs and desires. In recent years, the payment industry has gained new insights that have led to the improvement of payment methods for individuals in various circumstances, regions and environments. These insights include advancements in credit and debit cards, wallets and mobile wallets, online banking e-payments, direct debit, in invoice and pay later solutions, cash payments and crypto currencies. The bank employs emerging scientific and technological means such as online settlement, mobile payments, and cloud computing to extend various financial services, including account settlement, investment management, and credit facilities

5.2.2. Influence of individual micro-lending as the Bank's sole lending technology in Centenary Bank Soroti Branch

It was established that access to deposit and credit facilities and other financial services are provided by formal financial institutions; the poor in Centenary Bank, Soroti Branch represent the largest share of the population and that the informal sector is an important part of the economy. The bank is a designated financial institution that is dedicated to assisting small enterprises, the poor, and households who have no access to the more institutionalized financial system, in mobilizing savings, and obtaining access to financial services. In a group-lending contract, each borrower in Centenary bank, Soroti Branch obtains a loan for her/his project and the liability can be joint; this joint liability induces group members to self-select each other and provides an incentive for peer monitoring As a major innovation of MF movement, the bank deals with information asymmetry and improve the lender's repayment rate. Small borrowers in the group lending have perfect knowledge of each other. Since joint liability encourages borrowers in a group to monitor each other on the other, it will alleviate moral hazard problems characterized by village bank model, credit unions, cooperatives, or self-help groups; Despite its advantages, the group-lending methodology suffers from some disadvantages such as the

risk of contagion if one of the members is unable to meet the repayment; Mortgage approvals and amounts are based on an applicant's eligibility and her/his debt capacity, which in turn are dependent upon some factors, including personal and business characteristics.

5.2.3. Influence of financial services and outreach in Centenary Bank Soroti Branch.

The poor in Centenary Bank, Soroti Branch represent the largest share of the population and that the informal sector is an important part of the economy. Access to deposit and credit facilities and other financial services are provided by formal financial institutions. The bank is a designated financial institution that is dedicated to assisting small enterprises, the poor, and households who have no access to the more institutionalized financial system, in mobilizing savings, and obtaining access to financial services. In a group-lending contract, each borrower in Centenary bank, Soroti Branch obtains a loan for her/his project and the liability can be joint; this joint liability induces group members to self-select each other and provides an incentive for peer monitoring. As a major innovation of MF movement, the bank deals with information asymmetry and improve the lender's repayment rate. Small borrowers in the group lending have perfect knowledge of each other. Since joint liability encourages borrowers in a group to monitor each other on the other, it will alleviate moral hazard problems characterized by village bank model, credit unions, cooperatives, or self-help groups; Despite its advantages, the group-lending methodology suffers from some disadvantages such as the risk of contagion if one of the members is unable to meet the repayment; Mortgage approvals and amounts are based on an applicant's eligibility and her/his debt capacity, which in turn are dependent upon some factors, including personal and business characteristics of the clientele base of the bank.

5.2 Recommendations to the findings

5.2.1. The influence of financial technology system on daily loan tracking backed by staff and customer incentives in Centenary Bank Soroti Branch

Integrating financial technology (fintech) into daily loan tracking systems can significantly enhance efficiency and customer satisfaction for institutions like Centenary Bank. Here are recommendations focusing on staff and customer incentives:

Staff Training and Incentives:

- Provide comprehensive training programs to staff to familiarize them with the new fintech systems. This training should cover both technical aspects and customer service skills.
- Offer incentives such as bonuses or recognition for staff who effectively utilize the fintech system to improve loan tracking accuracy and customer service.
- Encourage a culture of innovation and continuous learning among staff to adapt to evolving fintech solutions and optimize their usage.

Customer Engagement and Education:

- Launch awareness campaigns to educate customers about the benefits of the new fintech-driven loan tracking system. Highlight features such as real-time updates, convenience, and improved transparency.
- Offer incentives to customers who actively engage with the fintech platform, such as discounts on loan interest rates or rewards for timely repayments.
- Provide user-friendly guides and tutorials to help customers navigate the new system and address any concerns or questions they may have.

Enhanced Data Security and Privacy:

- Prioritize data security and privacy measures to safeguard sensitive customer information stored within the fintech system. Implement robust encryption protocols, access controls, and regular security audits.
- Educate both staff and customers about the importance of data security and their roles in maintaining it. Promote best practices such as using strong passwords, avoiding phishing scams, and promptly reporting any suspicious activities.

Continuous Monitoring and Feedback Mechanisms:

- Establish mechanisms for ongoing monitoring and evaluation of the fintech system's performance, including loan tracking accuracy, processing speed, and user satisfaction.
- Encourage feedback from both staff and customers to identify areas for improvement and address any issues or challenges promptly.

- Regularly update the fintech system based on feedback and technological advancements to ensure it remains relevant and effective in meeting the bank's objectives.

Collaboration with Fintech Partners:

- Collaborate with fintech partners and industry experts to leverage their expertise and stay abreast of the latest technological trends and innovations in loan tracking and financial services.
- Explore potential synergies with fintech startups or established players to co-create customized solutions tailored to Centenary Bank's specific needs and priorities.

5.2.2. Influence of individual micro-lending as the Bank's sole lending technology in Centenary Bank Soroti Branch.

Individual micro-lending can indeed have a significant influence on Centenary Bank's operations and its impact on the community it serves. Here are some recommendations on leveraging individual micro-lending as the primary lending technology:

- **Targeted Outreach and Education:** Centenary Bank should prioritize educating potential borrowers on the benefits and responsibilities of micro-loans. This could involve workshops, seminars, and community outreach programs to ensure borrowers understand the terms, repayment schedules, and implications of taking out a loan.
- **Customized Loan Products:** Develop tailored loan products that cater to the specific needs of individual borrowers. This might include loans for small businesses, agricultural activities, education, or healthcare expenses. Flexibility in loan terms and repayment schedules can increase the accessibility and effectiveness of micro-lending.
- **Risk Management:** Implement robust risk management practices to mitigate the inherent risks associated with micro-lending. This involves thorough assessment of borrowers' creditworthiness, monitoring repayment behavior, and establishing contingency plans for managing delinquencies and defaults.
- **Technology Integration:** Leverage technology to streamline loan application processes, disbursements, and repayments. Mobile banking platforms, online portals,

and digital payment systems can improve accessibility, convenience, and transparency for borrowers, while also reducing administrative overhead for the bank.

- **Capacity Building:** Offer training and capacity building programs to empower borrowers with financial literacy skills, entrepreneurship training, and technical support. Building the capacity of borrowers enhances their ability to effectively utilize loans, manage their businesses, and improve their livelihoods.
- **Social Impact Measurement:** Implement mechanisms to measure and track the social impact of micro-lending activities. This could involve assessing changes in borrowers' income levels, employment opportunities, and overall well-being. Transparent reporting on social impact can enhance accountability and attract support from stakeholders.
- **Collaboration and Partnerships:** Forge partnerships with government agencies, NGOs, and other financial institutions to leverage resources, share best practices, and expand outreach efforts. Collaborative initiatives can enhance the effectiveness and sustainability of micro-lending programs.
- **Continuous Evaluation and Adaptation:** Regularly evaluate the performance and impact of micro-lending activities, and use feedback to refine strategies and adapt to changing market dynamics. Continuous learning and adaptation are essential for ensuring the long-term success and relevance of micro-lending initiatives.

5.2.3. Influence of financial services and outreach in Centenary Bank Soroti Branch

Centenary Bank, like many financial institutions, plays a crucial role in the economic development and financial inclusion of its community. Here are some recommendations on how Centenary Bank can enhance its financial services and outreach:

- **Expand Branch Network:** Centenary Bank can increase its physical presence by opening branches or banking agents in underserved areas. This expansion will make banking services more accessible to rural communities and people in remote areas.
- **Mobile Banking and Digital Services:** Investing in mobile banking apps and digital services can make banking more convenient for customers. Offering services such as mobile money transfers, bill payments, and account management through smartphones can attract tech-savvy customers and improve overall accessibility.

- **Financial Literacy Programs:** Centenary Bank can conduct financial literacy programs to educate its customers, especially those in rural areas, about basic financial concepts such as savings, budgeting, and responsible borrowing. This can empower individuals to make informed financial decisions and improve their financial well-being.
- **Microfinance and Small Business Support:** Launching microfinance initiatives and providing financial support to small businesses can stimulate economic growth and create employment opportunities within the community. Centenary Bank can offer tailored financial products and services, including small business loans and financial management training, to help entrepreneurs start or expand their businesses.
- **Partnerships with NGOs and Community Organizations:** Collaborating with non-governmental organizations (NGOs) and community-based organizations can help Centenary Bank reach marginalized groups and underserved communities. By working together, they can develop targeted outreach programs and initiatives to address the specific needs of these populations.
- **Customer Feedback Mechanisms:** Centenary Bank should establish effective feedback mechanisms to gather insights from customers about their banking experiences and preferences. This feedback can be used to improve existing services, develop new products, and enhance overall customer satisfaction.
- **Corporate Social Responsibility (CSR) Initiatives:** Engaging in CSR initiatives such as community development projects, environmental sustainability efforts, and education sponsorships can demonstrate Centenary Bank's commitment to social responsibility and contribute to the well-being of the communities it serves.
- **Innovative Financial Products:** Continuously innovating and introducing new financial products and services tailored to the needs of different customer segments can help Centenary Bank stay competitive in the market and attract a diverse customer base.
- **Focus on Customer Service:** Providing excellent customer service should be a priority for Centenary Bank. Training staff to be knowledgeable, courteous, and responsive to customer needs can enhance the overall banking experience and foster long-term customer loyalty.
- **Risk Management and Compliance:** Ensuring robust risk management practices and compliance with regulatory requirements is essential for maintaining the trust and confidence of customers and stakeholders. Centenary Bank should regularly review and

update its risk management frameworks to mitigate potential risks and ensure financial stability.

5.3 Areas for further research

- i. **Financial Inclusion and Access:** Investigate the effectiveness of banking initiatives aimed at improving financial inclusion, especially in rural and underserved areas. Assess the impact of mobile banking, agent banking, and other innovative financial services on expanding access to banking services.
- ii. **Risk Management:** Explore risk management practices in Ugandan banks, including credit risk, market risk, operational risk, and compliance risk. Examine the effectiveness of risk management frameworks and strategies in mitigating risks and enhancing financial stability.
- iii. **Corporate Governance:** Investigate corporate governance practices in banks, including board composition, transparency, accountability, and risk oversight. Assess the relationship between corporate governance mechanisms and bank performance, stability, and resilience.
- iv. **Sustainable Finance:** Examine the integration of environmental, social, and governance (ESG) factors into banking practices. Assess the role of banks in promoting sustainable development, green finance, and responsible lending practices.
- v. **Customer Relationship Management:** Explore customer relationship management (CRM) strategies employed by banks to attract, retain, and serve customers effectively. Analyze customer satisfaction, loyalty, and switching behavior in the banking sector.
- vi. **Regulatory Framework:** Examine the regulatory environment governing the banking sector in Uganda. Evaluate the effectiveness of banking regulations, supervision, and enforcement in maintaining financial stability, protecting consumer interests, and promoting competition.
- vii. **Financial Literacy and Education:** Study the level of financial literacy among Ugandan consumers and its impact on financial decision-making, savings behavior, and debt management. Assess the effectiveness of financial education programs implemented by banks and other stakeholders.
- viii. **Cross-border Banking:** Investigate the opportunities and challenges associated with cross-border banking activities involving Ugandan banks, including expansion into regional markets and international banking operations.

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APPENDIX I

QUESTIONNAIRE

I am APIO EVERLINE a student of Uganda Christian University, Mbale University College. I am doing a research project on “the impact of strategic management on organizational performance, case study of Centenary Bank Soroti Branch”. This study is for academic purpose only.

Please, read and mark where it is appropriate by ticking.

SECTION A: Bio data of respondent

- I. Gender a) Male b) Female
2. Marital status b) Married b) Single c) others (specify).....
...
3. Age a) 20 -29 years b) 30 -39 years c) 40 -49 years d) 50-59 years
e) Above 60 years
4. Education level a) Post graduate b) Certificate c) Diploma d) Degree
e) Above degree
5. Position held at the Bank
a) Manager b) Customer c) Loan officer
d) ATM controller e) Any other (specify).....
6. Duration in the Bank a) Less 1 year b) 1-5yr
c) More than 5years

SECTION B)

To what extent do you agree with the following statements on the Influence of financial technology system on daily loan tracking backed by staff and customer incentives of the bank?

Please choose as most appropriate.

5 Strong Agree 4 Agree 3 Disagree 2 Strongly Disagree 1 Uncertain

Influence of financial technology system on daily loan tracking backed by staff and customer incentives of the bank	1	2	3	4	5
FinTech represents a novel financial model, combining technological innovation with financial services.					
It employs emerging scientific and technological means such as online settlement, mobile payments, and cloud computing to extend various financial services, including account settlement, investment management, and credit facilities					
Essential importance in shaping the future prospect of the banking sector					
Achieving financial inclusion by adopting retail payment systems, electronic payments and innovative solutions that benefit potential segments of the community, in rural areas and also for women					
Creating opportunities for the banking industry to integrate pioneering FinTech solutions, reduce costs, enhance flexibility, attract deposits and promote financial inclusion					
Assessing banks' management efficiency in attracting more deposits from current and potential clients; the higher the deposit volume, the more efficient banks management					
It assesses the bank's ability in generating more profit for investors, the higher the Net Profit Margin means that the bank can sustain any future undesirable shocks that may come across during its course of business					
FinTech can manifest broadly through digitalization within the financial services sector by considering possible financial solutions via information technology					
The use of technology in the banking sector is to produce banking services and products that meet customer needs and desires					

In recent years, the payment industry has gained new insights that have led to the improvement of payment methods for individuals in various circumstances, regions and environments. These insights include advancements in credit and debit cards, wallets and mobile wallets, online banking e-payments, direct debit, in invoice and pay later solutions, cash payments and crypto currencies				
Robotic automation has led to a change in the employment structure, requiring the redeployment of employees to more advanced tasks that create greater added value, but also necessitating the retraining of some employees.				
Influence of individual micro-lending as the Bank’s sole lending technology in the Bank				
Access to deposit and credit facilities and other financial services provided by formal financial institutions				
The poor represent the largest share of the population and that the informal sector is an important part of the economy				
Designate financial institution dedicated to assisting small enterprises, the poor, and households who have no access to the more institutionalized financial system, in mobilizing savings, and obtaining access to financial services				
In a group-lending contract, each borrower obtains a loan for her/his project and the liability can be joint; this joint liability induces group members to self-select each other and provides an incentive for peer monitoring				
As a major innovation of MF movement can potentially deal with information asymmetry and improve the lender’s repayment rate.				
Small borrowers in the group lending have perfect knowledge of each other.				
Since joint liability encourages borrowers in a group to monitor each other on the other, it will alleviate moral hazard problems characterized by village bank model, credit unions, cooperatives, or self-help groups				
Despite its advantages, the group-lending methodology suffers from some disadvantages such as the risk of contagion if one of the members is unable to meet the repayment				
Mortgage approvals and amounts are based on an applicant’s eligibility and her/his debt capacity, which in turn are dependent upon some factors, including				

personal and business characteristics (age, gender, reputation, source and amount of income, the purpose of the loan, etc.)					
The influence of financial services and outreach by the Bank					
Fundamental aim of microfinance is to reach the largest number of unserved poor borrowers who do not have access to financial services					
Centenary has introduced agricultural lending in Soroti Branch					
The approach is prudent and gradual to its customers					
Areas of operation are determined by a team of loan officers on the basis of the commercial potential of the crops grown, soil quality, rain fall, accessibility, and cultural factors of entrepreneurial and financial behavior					
The loan officers held customer education training sessions in the local language on all relevant aspects of banking, which were deepened in loan sessions at the time of disbursement.					
Particular emphasis of financial services is placed on the importance of timely repayment and the associated incentives					
Through the interaction at local level, contact clients, motivated by the prospect of faster graduation to bigger loans, help expanding					
There is sustainability and outreach in such a short period of time					
Regulated micro finances employ skilled manpower that listen to borrower's complaints and preferences as well as training them on a range of products and services					
The risky environment of developing countries is marked by greater uncertainty as the market place is less well institutionalized with high interest rates					

APPENDIX II

INTERVIEW GUIDE

I am APIO EVERLINE a student of Uganda Christian University, Mbale University College. I am doing a research project on “the impact of strategic management on organizational performance, case study of Centenary Bank Soroti Branch”. This study is for academic purpose only.

Please read and discuss the topics herein.

- i. The influence of financial technology system on daily loan tracking backed by staff and customer incentives in Centenary Bank Soroti Branch
- ii. Individual micro-lending as the Bank’s sole lending technology in Centenary Bank Soroti Branch
- iii. Influence of financial services and outreach in Centenary Bank Soroti Branch

Thanks for your open discussion.

APPENDIX III: BUDGET ESTIMATE

Items	Number of Items used	Cost per Item	Amount (Shs)
Pens	10	500	5,000
Ream of paper	1	20,000	20,000
Flash disk	1	30,000	30,000
Printing and binding			60,000
Motivation and Refreshments			50,000
Miscellaneous			50,000
TOTAL			220,000

APPENDIX IV: INTRODUCTORY LETTER FROM THE UNIVERSITY



**UGANDA CHRISTIAN
UNIVERSITY, MBALE UNIVERSITY COLLEGE.**
A Centre of Excellence in the Heart of Africa

Academic Registrar office

To THE MANAGER

CENTENARY BANK - SOROTI



Dear Sir/Madam,

Re: Academic Research

Christian greetings!

We are honored to introduce to you Mr. Mrs./Miss. APIO EVERLINE
Of Registration Number; M22/MUC/BBA/029 pursuing a Masters'
Degree/Postgraduate Diploma / Bachelor's Degree
BUSINESS ADMINISTRATION

He/ she is required to carry out an academic research on the topic
ANALYZING THE IMPACT OF STRATEGIC MANAGEMENT
ON ORGANISATIONAL PERFORMANCE
and thereafter produce a well bound hard cover research report (MAROON) in color for undergraduate
and three (BLACK) copies for Postgraduate students as a University requirement for the award of a
degree/diploma in the academic discipline that he / she is pursuing.

We shall be grateful for the help you may offer to him or her accordingly.
Thank you.

Yours faithfully,

28 FEB 2024

Timothy Akampurira
Academic Registrar UCU-MUC