

**INFLUENCE OF SOCIAL MEDIA STRATEGIES ON ORGANIZATIONAL  
PERFORMANCE OF COMMERCIAL BANKS IN MAKUENI COUNTY**

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**A research project submitted to the School of Business and Economics in partial fulfillment  
of the requirement for the award of the degree of Master in Business Administration of**

**South Eastern Kenya University**

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## **DECLARATION**

I understand that plagiarism is an offence and I therefore declare that this Research project is my original work and has not been presented to any other institution for any other award

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## **DEDICATION**

This research project is dedicated to my mother Alice Betty Kimotho who has made great and unwavering support to me both materially and spiritually. To my late father Japheth Kimotho who always urged me to study hard and instilling in me that knowledge is power. To my lovely daughters, Alicia and Jewel who have been my best cheer leaders and served as my inspiration and strength when the going got tough.

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## LIST OF ABBREVIATIONS

<b>CBK:</b>	Central Bank of Kenya
<b>CRM:</b>	Customer Relationship Management
<b>GOK:</b>	Government of Kenya
<b>ICT:</b>	Information Communication Technology
<b>IT:</b>	Information Technology
<b>KBA:</b>	Kenya Bankers Association
<b>ROI:</b>	Return on Interest
<b>SCRM:</b>	Social Customer Relationship Management
<b>SPSS:</b>	Statistical Package for Social Sciences
<b>SSA:</b>	Sub-Saharan Africa
<b>STI:</b>	Science and Technology and Innovation

## DEFINITION OF TERMS

<b>Organizational Performance:</b>	It comprises the actual output or results of an organization as measured against its intended outputs (Treem, 2012).
<b>Commercial banks:</b>	This is a financial institution providing services for businesses, organizations and individuals. Services include offering current, deposits and savings account as well as giving out loans (Sultana, 2013).
<b>Social Media:</b>	This is a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content (Kaplan, 2010).
<b>Social Interactions:</b>	They are defined as the communication among users through social media (Barker, 2012).
<b>Social Network Sites:</b>	These are web-based services that allow individuals to construct a public or semi-public profile within a bounded system; articulate a list of other users with whom they share a connection, and view and traverse their list of links and those made by others within the system (Noone, 2011).
<b>Social Media Use:</b>	This is the frequency of a user's contribution, retrieval, and exploration of content within a social media site (Blanchard, 2011).
<b>Social Media Engagement:</b>	This is the process of gaining traffic or attention in social media network sites as follows, likes, tweets, tags and shares (Missaoui, 2015).
<b>Social Media Measurement:</b>	This is a way of computing popularity of a brand or company by extracting information from social media channels, such as blogs, wikis, news sites, micro-blogs such as Twitter, social networking sites, video/photo sharing websites, forums, message boards and user-generated content from time to time (Missaoui, 2015).
<b>Risk Management:</b>	This is the identification, evaluation, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability or impact of unfortunate events (Qualman, 2010).
<b>Social Media Tools:</b>	These are “websites and tools that rely on people who are using them in an interactive manner”(Heinz, 2012) .

## ABSTRACT

Over the last two decades, there has been a tremendous increase in the development and use of various social media tools in sharing of information, discussions of issues concerning the day-to-day life of the people. A review of previous studies on the use of social media tools has revealed its impact on the organizational performance of different institutions. However, there is very little that has been done in relation to the impact of social media tools on the organizational performance of commercial banks especially in the developing countries. The purpose of this study was to investigate the influence of social media strategies on organizational performance of Commercial banks in Makueni County. The specific objectives of this study included; to establish the effects of social media engagement, social media measurement, social media risk management and social media tools on the organizational performance of Commercial banks in Makueni County. The study was guided by the Social Network Theory and Uses and Gratifications Theory (UGT). The researcher applied a descriptive research design. The sample size of this study was 103 permanent bank employees of the 13 of commercial banks identified in Makueni County. A questionnaire was used in the empirical investigation to gather the responses from the study participants. The quantitative data was analyzed using both descriptive and inferential statistics while the qualitative data were analyzed thematically according to the study objectives. Inferential statistics and multiple regressions were also used to determine the prediction factor of dependent variable caused by independent variables. There was a weak positive correlation between the social media engagement and organizational performance. However, the relationship was not significant. The findings on the second objective revealed a moderate negative correlation and a significant relationship between social media measurement and organizational performance. The findings on the third objective revealed a moderate negative correlation and a significant relationship between social media risk management and organizational performance. The findings of the fourth objective suggested a moderate positive correlation and a negative relationship between social media tools and the organizational performance. This study concluded that social media engagement, measurement and tools influence organizational performance of commercial banks in Makueni County positively while social media risk management influences it negatively. Social media tools have the highest influence on the organizational performance of commercial banks. The independent variables studied in this study were more responsible for the bigger proportion of the total change in the organizational performance of commercial banks. The study recommends that there is need for managers to design policies to improve the performance of commercial banks. The study recommends further research to develop more safe and secure ways of sharing information between the commercial banks and their clients.

## CHAPTER ONE

### 1.0. INTRODUCTION

This section presents the background of the study, statement of the problem, objectives of the study, research questions, justification of the study, scope of the study and limitations of the study.

#### 1.1. Background Information

Today's social media tools are bringing rapid change to organizational communication and public relations. These technologies have shifted the emphasis of internet services from being consumption-based towards becoming interactive and collaborative, creating new opportunities for interaction between organizations and publics (Barker, 2012). The social media platform has taken over the way we communicate, do business and form relationships. A good number of business organizations have pages on social networks as they advertise, sell and offer customer services using these platforms (Parker, 2014). The Social Media Phenomenon has caught the attention of organizations which are now drawing fresh blue prints that aim at harnessing the great power of social media (Porterfield, 2012).

Treem (2012) did a study on managerial view of social media use in organizations and noted that social media has a big impact on today's business world and banking management needs to identify ways to make profitable use of social Media to improve their organizational performance. Nick (2015) did a study on Social Media and organizational performance among civil society organizations in Tanzania and concluded that social media helps organizations to enhance their efficiency and reduce communication costs leading to improved performance. Nyambu (2012) did a survey on influence of social media marketing on performance of telecommunication firms in Kenya with focus to Safaricom and found that social media improves the performance of the organization as it offers a platform for marketing at a cheaper cost compared to other forms of marketing available (Nyambu, 2012).

The new online communication platforms make matters difficult in exceptional ways with respect to the kinds of information they avail for observers to make conclusions. This has brought forth varied speculative and theoretical issues in academics, social, business and politics (Olorunnisola, 2013). This study was guided by two theories: the Social Network Theory (SNT)

and Uses and Gratification Theory (U&G). The Social Network Theory by Wasserman (1994) is embedded in mathematical graph theory and has been used to examine the human social organization in social sciences and Psychology. The Uses and Gratification Theory which explains how organizations use social media to gratify their needs and how customers understand motives for media behavior and identifications of functions that flow from needs, motives and behavior (West, 2010).

This study was done in Kenya with a focus of commercial banks in Makueni County. This is because the County is located in the arid part of Kenya which is a hardship area and with poor infrastructure especially roads, thus providing a valid setting for the study on the influence of social media strategies and organization performance. As banking environment becomes more dynamic and competitive commercial banks in Makueni County needs to come up with strategies that can translate into positive results such as increased reduced customer complaints, increased customer satisfaction and increased number of customers in an attempt to improve their organizational performance.

### **1.1.1. Use of Social Media in Organizations**

Social media is a medium for social interaction, using the accessible and scalable web and mobile technology to turn communication into interactive dialogue. It is a group of Internet-based applications that allow the creation and exchange of user-generated content (Zarrella, 2010). Social media constitutes collaborative projects, blogs, micro-blogs, content communities, virtual worlds and social networks. Social media is the combination of various internet tools that enable users to generate exchange and modify content continuously (Parker, 2014).

According to Heinz (2012) in addition to providing opportunities for new service offerings, social media is providing vehicles for delivering existing services in more accessible, convenient productive ways. Social media facilitates customer service functions like answering questions, checking account records tracking orders as well as handling customer complaints. Social media allows companies to relate with customers in a deeper and more meaningful ways. Rather than relying on one-way, mass media messages only, social media allows for more interactive approaches that build targeted two way customer relationships. Most successful organizations are

finding innovative ways to integrate social media with traditional marketing methods stay ahead in the race (Zarrella, 2010).

According to Qualman (2010) most businesses cite brand awareness and publicity as the highest return followed by an increase in foot traffic which was followed by finding new business partners, rise in search engine rankings and generating leads. Social media technology, such as Face book, and Twitter, has enabled customers to express their feelings regarding a product or service they have purchased. With this feedback, businesses can improve decisions on how to serve clients and create more informed solutions, thus increasing customer loyalty. In Kenya several companies already have a strong presence and existence in the Social Media sphere (Brinlee, 2007).

### **1.1.2. Performance of Commercial banks**

According to Chaffey (2003) organizational performance is the degree of attainment of work mission as measured in terms of work outcome, intangible assets, customer link, and quality services. According to Kaplan (2010) organizational performance is the organization's capacity to accomplish its goals effectively and efficiently using available human and physical resources. This definition provides the justification for organizations to be guided by objective performance criteria when evaluating employees' work based organizational performance. This is also helpful in evaluating the achievement of the organizational goals as well as when developing strategic plans for the organizations' future performance (Friedrichsen, 2013).

Although there is a range of factors that could be used for measuring organizational performance, Treem (2012) emphasize judgmental and evaluative processes that take a great deal of action when defining organizational performance. According to Friedrichsen (2013) organization performance is a broader concept whose indicators include productivity, quality, consistency, efficiency as well as relative measures such as management development and leadership training for building necessary skills and attitudes among the workers. Organizational performance can also be conceptualized in terms of net income, revenue, number of employees, physical expansion, increased market share and financial sustainability (Njuguna, 2012). According to Kazienko (2015) organizational performance covers financial performance which includes profits, return on assets, return on investment, sales volumes, market share and return on

Equity. The study used the number of customers, customer satisfaction level and reduced customer complaints to measure the organizational performance of commercial banks in Makueni County.

### **1.1.3. Commercial banks in Kenya**

Commercial banks are financial institutions approved by the Central Bank of Kenya to provide financial services. In Kenya, there are 42 registered banks offering financial services (Central Bank of Kenya, 2016). Maina (2012) observes that the commercial banks in Kenya have undergone many regulatory and financial reforms. These have brought many structural changes in the sector and have also allowed foreign banks to operate in Kenya. According to Ngugi (2013) commercial banks dominate the financial sector in Kenya. They hold the country's economy together. However, some commercial banks have embraced some cultural practices that have made them be riddled with irregularities thus preventing them from achieving their main objective of achieving financial profitability.

In addition, some commercial banks have experienced weak management with reports of widespread financial mismanagement. This has led to poor organizational performance, and in some cases some banks put under receivership or closed down. Although recent studies show that commercial banks are gradually gaining momentum in their competitive advantage, something still needs to be done to make them more competitive, profitable, and effective and efficient in serving the financial needs of many Kenyans (Ngugi, 2013). However, some banks are still not able to adopt efficient cultures and instead have succumbed to the pressure to boost revenues.

Lack of open communication and consideration of the best interest of the shareholders and the customers are other barriers to effective organizational performance (Njuru, 2007). Recent studies suggest that social use can stimulate higher performance. For a long time commercial banks have been posted favorable profit margins. This has been attributed to team work, collaboration and general organizational motivation. Despite this positive rating, commercial banks still experiences organizational challenges and implications of these new technologies for organizational processes are not yet well understood.

## **1.2. Statement of the problem**

Social network sites are considered the core of network resource for organizations that link strategic value and organization performance (Kazienko, 2015; Wasserman, 1994). Social network sites can be seen as alternative communication tools which support existing relationships and activities in a fun and colorful way that can deepen the users' experiences (Missaoui, 2015). Kenya is not old in the world of social media, but its gaining recognition due to the active use of these platforms. Kenyans presence on social media platforms earned the country a surprise visit from "Facebook" founder Mark Zuckerberg in September 2016 where he acknowledged through his post that indeed Kenya is an important participant in the arena of social media (Sandeep, 2017).

Various research studies have been conducted elsewhere on the impact of social media strategies and the organizational performance of organizations and majority of them have found out that the use of social media in advertisement, marketing and communication improved organization performance thus a positive and significant relationship between the two variables (Ngugi, 2013; Njuguna, 2012). Another study which sought to find out the impact of social media in Kenya focusing on brand equity also concluded that social media brand image and customer relations have a positive relationship (Owino, 2011). It is because of such research findings that commercial banks in Kenya and notably their commercial banks in Makueni County are desperately trying to understand and embrace social media as a strategy so they can create more conversations with their audiences and react quickly to online discussions about their brands in an attempt to improve their organizational performance.

However, other studies which investigated the relationship between the use of social media and the financial performance of organizations have contrary findings which indicate that social media metric did not add any incremental explanatory power to known determinants of quarterly cash flows; thus the findings indicated a negative relationship between social media and organization performance (Tamrakar, 2016). These contradictory findings suggest confusion and inadequate knowledge on the real influence of social media strategies on the organizational performance of organizations such as commercial banks despite the increased adoption of social media by such organizations.

The lack of adequate information on the relationship between these two variables in Makueni County also suggests that this research field has not been exhausted (Muchiri, 2012). In addition, the commercial banks in Makueni County have not been doing well because they are not in touch with their customers due to non use of social media; the customers have frequent complaints which can be sorted online through social media platform but instead they waste a lot of time visiting the to raise their issues. It is against this backdrop that this study aims to contribute to the existing literature by establishing the influence of social media strategies on the organizational performance of commercial banks in Makueni County (Maina, 2012).

### **1.3. Objectives of the Study**

The general objective of the study was to establish the influence of social media strategies on organizational performance of commercial banks in Makueni County.

#### **1.3.1. Specific Objectives**

The study was guided by the following specific objectives:-

- i. To determine the influence of social media engagements on the organizational performance of commercial banks in Makueni County.
- ii. To find out the influence of social media measurements on the organizational performance of commercial banks in Makueni County.
- iii. To establish the influence of social media risk management on organizational performance of commercial banks in Makueni County.
- iv. To find out the influence of social media tools on the organizational performance of commercial banks in Makueni County.

### **1.4. Research Questions**

The study sought to answer the following research questions:-

- i. What is the influence of social media engagements on the organizational performance of commercial banks in Makueni County?
- ii. What is the influence of social media measurements on the organizational performance of commercial banks in Makueni County?

- iii. What is the influence of social media risk management on organizational performance of commercial banks in Makueni County?
- iv. What is the influence of social media tools on the organizational performance of commercial banks in Makueni County?

### **1.5. Justification of the Study**

The study is essential to researchers, as it has provided analytical skills that are important in understanding the 21<sup>st</sup> century social media issues and how they affect organizational performance of organizations. The study has also enabled the researchers to be in a better position to comprehend and solve organisational problems in a professional manner. The study has also provided substantial evidence on the role that social media plays in the organizational performance of commercial banks in Kenya. The finding may assist banks in Kenya in identifying and implementing social media platforms which can facilitate healthy customer relationship since it has explained the importance and factors affecting social media in enhancing real-time customer engagements in the banking sector.

The Central Bank of Kenya (CBK) regulates commercial all the commercial banks in Kenya. Therefore, it is also anticipated that the CBK can use the results of this study to enhance their relationship with banks and assist banks to achieve their business goal regarding customer service. Based on the findings of this study, the CBK is able to put appropriate regulation on social media use by banks based on the study findings. Other regulators who have interest in banking like KBA, CRB may also find the results of the study useful in their operations.

### **1.6. Scope of the Study**

The scope of this study was all the licensed commercial banks in Makueni County. The respondents in this study were the permanent and pensionable employees of the described in the previous statement.

### **1.7. Delimitations of the study**

The researcher is an employee of one of the main commercial banks in the study area and may find it easy in reaching the required study participants because of the knowledge on organizational structures and systems of commercial banks.

## **1.8. Assumptions of the study**

The main assumption of the study included that all the commercial banks operate within the same environment and therefore they have similar clients. The other assumptions included that the commercial banks in Makueni county use social media in their transactions and that all the respondents who participated in this study provided accurate information to the best of their knowledge; hence the analysis of the data has produced scientifically reliable results, conclusions and recommendations.

## CHAPTER TWO

### 2.0. LITERATURE REVIEW

#### 2.1. Introduction

This chapter summarizes the information from other researchers who have carried out their research in the same field of study. The specific areas covered here are theoretical literature, the empirical review and conceptual framework.

#### 2.2. Theoretical Literature

Theoretical literature deals with the theories that have been reviewed for the study. This study was based on two theories; Social network theory, and uses and gratification theory.

##### 2.2.1. Social Network Theory

In the late 1890s, both Émile Durkheim and Ferdinand Tönnies foreshadowed the idea of social networks in their theories and research of social groups. Tönnies argued that social groups can exist as personal and direct social ties that either link individuals who share values and belief (Gemeinschaft, German, commonly translated as "community") or impersonal, formal, and instrumental social links (Gesellschaft, German, commonly translated as "society"). "The theory views social relationships regarding nodes and ties. Nodes are the individual actors within the networks, and ties are the relationships between the actors. The assumptions of the study are that; there can be many kinds of ties between the nodes that a social network is a map of all the relevant ties between the nodes being studied, and the network can also be used to determine the social capital of individual actors" (Durkheim, 1893).

According to Durkheim, "weak ties refer to casual relationships whereas strong ties refer to close relationships. The relationships between the nodes form the social network sites which enable one to understand individuals' choices in their relationships with others. In an online social network, there are vaster weaker ties among the nodes" (Durkheim, 1893). Stutzman (2006) asserts that the power of social network theory stems from its difference from traditional sociological studies, which assume that it is the attribute of individual actors that matter. Social network theory produces an alternate view, where the attributes of customers are less important

than their relationships and ties with other actors within the network. The relationship between the commercial banks and customers through social media forms the nodes and ties which affect their organizational performance. Also, the social media tools provide the connection between the nodes (banks and their customers). Effective use of the social media tools would lead to a larger or vast social network which translates to more customers hence increased organizational performance of commercial banks. Thus making this theory necessary for this study.

### **2.2.2. Uses and Gratifications Theory (UGT)**

Uses and Gratification Theory is an approach to understanding why and how individuals actively seek out and use specific media to satisfy specific needs (Katz & Foulkes, 1962) . Herzog (1944) used the term gratifications to describe specific types or dimensions of satisfaction reported by audience members of daytime radio programmes. Subsequently, researchers became interested in why audiences engaged with various forms of media, such as listening to the radio and reading the newspaper (Wimmer, 1994). UGT addresses how individuals choose media that satisfies their needs, allowing one to realise gratifications such as knowledge enhancement, entertainment and relaxation, social interaction and reward or remuneration (Ko, Cho, & Roberts, 2005). UGT was one of the first approaches to consider the active role of the audience in media choice, suggesting that individuals actively search for, identify with and employ media to fulfil specific gratification needs (Ku, Chu, & Tseng, 2013). This perspective recognises that consumers are active, rather than passive, recipients of media.

The proponent of the theory were Katz, E. & Blumer, J.G.(1974) and the theory emerged in the early 1970s. By use of the theory, the research seeks to provision of better and more comprehensive understanding of customer preferences on social media. The theory has some basic assumptions. One is that the audience is conceived as active Katz, E. & Blumer, J.G. (1974). The assumption focuses on the idea that viewers are goal oriented and seek to achieve their goal by the media sources another assumption in the process of mass communication, the initiative in linking need gratification and media lies with the audience member. Therefore, people use media to their advantage more than the media uses them. The other assumption is that most of the goal the media uses can be derived from data supplied by individual audience members.

UGT in the research explains how organisations use media to gratify their needs; how customers understand motives for media behaviour and identification of functions or consequences that flow from needs, motives and behaviour (Rubin, 2002). According to Ko (2005) the use of this approach helps in understanding why organizations actively seek or use a specific media to satisfy a common need. It has also considered the fact that active role of the audience in media choice; individuals actively search for, identify with and employ media to fulfill specific gratification needs (Ku, 2013). Social media attracts the audience by the provision of value, or gratification, through its content.

Since there are several social media platforms available in Kenya, it is assumed that the number of bank customers using the different social media channels would vary. The customer's interest to use whatever social media channel would be associated with the gratification obtained from using the channel. Therefore, the social media channel with the highest number of users would be the one with a higher gratification which is associated with increased organizational performance of commercial banks in the area of study. Therefore, the content must be designed in a way that creates value for individual consumers to build a stronger level of engagement and facilitate value outcomes (Malthouse, 2013) hence making this theory relevant for this study.

### **2.3. Empirical Review**

Empirical evidence and report's findings from a new empirical study show the study of social media strategies in Banking Industry and research in its managerial view concerning benefits, barriers, and challenges. Since there are numerous empirical tests and studies on why organisations focus on social media to engage their customers, this section seeks to identify prevalent channels in which customers engage with a brand or firm, while agencies are recognizing the need to participate in a platform where current and potential customers are paying most attention. (Nyambu, 2012) did a survey of influence of social media marketing on organizational performance of telecommunication firms in Kenya with focus to Safaricom and found that social media improves the performance of the organization as it offers a platform for marketing at a cheaper cost compared to other forms of marketing available. The main empirical results showed social media improves the performance of the organization as it offers a platform for marketing at a cheaper cost compared to other forms of marketing available.

### **2.3.1. Social Media Engagement on Organizational Performance**

Social media is among the standard channels in which customers engage with a brand or firm, while organisations are recognising the need to participate in a platform where current and potential customers are paying most attention (Baird, 2011). Media platforms provide users with an interactive avenue to create value and engage with the firm (Brodie, 2011). On the other hand, Users create social media content via their contributions, comments and likes. Subsequently, their input facilitates the engagement and interaction of other members.

According Kumar (2014), social media is a suitable tool for customers to learn more about financial institutions and deepen employees interplay. Olorunnisola (2013) affirms that social media connection on the digital landscape has the potential of adding (or reducing) meaning and more understanding. Social media influence must not be measured in terms of the sheer volume of fans or followers a person has, but rather the person's ability to demonstrate expertise in a topic and sway others into action (Lovett, 2011). This study interrogates key aspects which have shaped communication, altered use of information in productivity and has also highlighted a number of issues that impact on organizational performance of commercial banks.

Therefore, it is the reason companies want to encourage their followers not just passively to consume content, but actively exhibit SMEBs in such a way that they comment and create new content (Brodie, 2011). Owino (2011) determined the influence of social media, the influence of the study being brand equity in the banking industry where descriptive cross sectional survey was deployed. The population included undergraduate business students aged between 18yrs to 30yrs with bank accounts and access to internet enabled mobile handsets. The study concluded that in banking social media and brand image have a positive relationship that promotes a mutual benefit for both the organization and its customers.

### **2.3.2. Social Media Measurement on Organization Performance**

Some of the metrics highlighted have been accounted for manually. So the organisations had to track the metrics versus the value they received from them to determine their importance to the overall strategy. For instance, a case where there is unreliability in social measurement is the isolation of unique users for each of the metrics. The organisations need to avoid counting the same person twice of which it is realistically difficult to do. The measurements have highlighted

the number of individuals organizations have attracted to their brand through social media. To mitigate the potential for duplication of user's agencies should track the growth rate as a percentage of the aggregate totals.

The use of twitter in organizations had to monitor the number of followers and number of followers who retweeted the message conveyed. This determined the monthly potential reach of the organization. It should be tracked separately then comparisons made on month over month growth rate of each of the metrics to determine the better growth. Therefore, the better tool to use for twitter measurement is tweet reach. On "Facebook", the organizations was required to track the total number of fans or followers, the brand or the organizations page. In addition the organization required to review the number of friends from the people who became fans during a specific period of time or during a promotion and who commented or liked the posts to identify the potential monthly "Facebook" reach (Dyer, 2010).

Organizations should concentrate on measuring the number of views for videos to track "Youtube" traffic and especially those tied to a certain promotion or a specific period of time. It can be measured on a monthly basis and the total number of subscribers. Blog measurement indicates the number of visitors who viewed the posts tied to the promotion or a specific period. The organization should look at the number of people on the distribution list and how many received the email as well (Patterson, 2002).

In the year 2013, a smaller percentage of marketers (9%) were using the traditional ROI metrics in measuring social media as indicated by (Zeithmal, 2003). The reason being most social media activities won't be efficiently measured by use of a transactional formula. "Therefore they indicated that social media is regulated regarding audience reach, sentiment and engagement, the study shows there is a highly successful direct response campaigns that run on "Facebook" and other social networks every day. These approaches deliver an ROI that can easily be measured the old-fashioned way" (Dyer, 2010). They claim that companies are starting to drop the idea that social media ROI can be measured.

This is one of the most significant measurements since it shows how many people had interest in whatever was said in some action. Engagement is easy to measure with simple tools such as tweet effect, Radian 6 and biz360. This metrics highlighted the individuals you want to target to retain on the social media channels. On Twitter, the organisations should focus on quantifying

the number of time your links were clicked, and messages were clicked, re-tweeted and the hash tags used. Then they had to break this down to how many people were responsible for the activity. You can also track the replies and direct messages if you can link them to the campaign activity. When using facing On “Facebook”, the organisations should determine the number of times the links were clicked, and messages were liked or commented on. Afterwards, the agencies had to breakdown by how many people created the activity, and also track the wall posts and the private messages if they can link them to an event tied directly to the social media campaign.

On “Youtube” the organisations had to assess the number of comments on their video adverts, the number of times it was rated the number of times it was shared and the number of new subscribers. On blogs, organisations was required to evaluate the number of comments, the number of subscribers generated and then how many their posts were shared on “Facebook”, twitter email and other media platforms. Organizations communicating via email was required to calculate how many people opened clicked our shared their content. They should also include items shared similar to the point above not forgetting to keep track of some new subscriptions generated according to (Wilson, 2003).

The financial organisations can use the research findings to determine whether their engagement metrics listed are working neutral or negative. They was required to use some automated tools such as Twitter, social mention radian 6 or scout labs to make it a little easier. However, they are advised to always do a manual check up to validate the sentiment results. Influence is displayed as a percentage positive, neutral or negative sentiment. This is then applied to about the engagement metrics and the metrics for each where applicable (Wilson, 2003).

### **2.3.3. Social Media Risk Management on Organizational Performance**

Risk management encompasses the identification, assessment, and prioritisation of risks followed by coordinated and economical application of resources to minimise, monitor, and control the impact of eventualities (Kaplan, 2010). Financial organisations should consider sticking points when it comes to effectively leveraging social media since there are many risks to which bodies are exposed. According to the 2014 RiskTech100 report, eight published by Hartshorn (2010), reputational and brand risk is the one most often discussed, and indeed it is a serious one. A harmful exposure on social media sites, or inappropriate or unauthorised action in

the financial organisations, can result in lost trust and lost revenues. If not mitigated efficiently, these risks can lead to serious adverse consequences including fraud, intellectual property loss, financial loss, privacy violations and failure to comply with laws and regulations. It is a requirement for all the banks to monitor the social media regardless of whether the organisations have a formal active presence.

A self-monitoring of the banking institutions on the social channels is essential to assure compliance, manage reputation risk and mitigate cybers security fraud. Banks policies and procedures should be made to address the use of social media, and how the employees should interact with the bank's social postings. They have to be predetermined if employees are permitted to comment, share or repost bank communications. If they are allowed then how should they manage the required disclosures and restrictions based on advertising language? Therefore, the banking organisations need to be more rigorous when advertising bank products and services, inclusive of the depository accounts, payments and wealth management (Kaplan, 2010). Managing bank reputation is another area of concern. Banking institutions should create legalities when a bank can be held responsible for statements made by the third parties. The risk management policies should extend to review their employees, as well as the independent contractors, bank affiliates among others.

There is a growing threat of exposure to security risk and fraud in the social media channels. In financial institutions, the risk appears mostly in phishing frauds and social engineering. An essential component to mitigating the risk is employee training that instructs the staff to refrain posting the details of their working routines. Again, the banks should restrict the taking of photos from the back office of the organisation. A rear office photo or “selfie” may reveal office layout vault locations in the institution or even private passwords on background post-it notes. Staff once aware of the risk was cognizant in protecting the bank by adoption of the independent variables; social media engagement, social media measurement, organizational relationship with their customers become publicly displayed , forming a social graph that exposes each users connections .

#### **2.3.4. Social Media Tools and Organizational Performance**

According to a study conducted by Sandeep on the impact of social media on company performance (2017), the most common social media tools used by the commercial banks in Kenya is Facebook which accounted for 44.4%, followed by twitter which accounted for 33.3% and the third was LinkedIn which accounted for 11.1%. Facebook is the dominant social media tool used for interaction between the financial institutions and customers although some institutions are shifting to Twitter and LinkedIn (Sandeep, 2017).

According to Levinson (2010) social media is a set of free or nearly free tools and websites that allow marketers and the community to create content and meaningful conversations online. There are a number of steroids of internet that have shaped our organizations today in terms of communication, collaboration and production. Behmann (2015) confirm that “scalability of internet, advancement of wireless technology, accelerated growth of mobility, introduction of wearable devices, lower cost of sensing technology, lower cost of embedded computing, advancement of storage technology and cloud computing have stormed the organization for marketing purposes”. The researcher assumes that people’s behavior nowadays is influenced by this phenomenon and relatively, the affluent use of social media has brought about developments and sophistication amongst individuals.

Munar (2013) contend that widespread use of social media sites have often seen to be raising factors that concerns social influence in the global market. Lovett (2011) strongly believed that the influence social media is a relative power of a person to affect other people regarding a specific brand, topic or a field of expertise. The researcher believed that as people need to be abreast on social media, they also need to play a role in administering these web-based components. This gradual impact of social media has been clearly identified on the basis of its lack of administration and management. Headworth (2015) indicated that there was a time when employees are using social media and suffer adverse comments or responses. Hansen (2010) argued that “social media are visible in the form of consumer applications such as Facebook and Twitter, but also the significant use of social media tools takes place behind the firewalls that surround most corporations, institutions, and organizations”.

Social media is an umbrella term used to describe the social interaction through a suite of technologically based tools called platforms because they facilitate human communication (Institute of Business Ethics, 2011). Van Dijck (2013) suggested that today, social media platforms are layers that influence human interaction of individuals, communities, as well as a large societies, while the worlds of online and offline are increasingly inter-penetrating. Blanchard (2011) argued that “social media creates both influence and scale in a way that traditional media cannot”. From an advantageous perspective, a fully developed social media program can, for example, protect a brand in times of crisis, alert an organization’s decision-makers to new trends in consumer interest and sentiment, influence hundreds of thousands to prefer one brand or product over another, and help tens of millions of consumers discover a company, organization, or product at a fraction of the cost of other forms of “traditional” media (Blanchard, 2011).

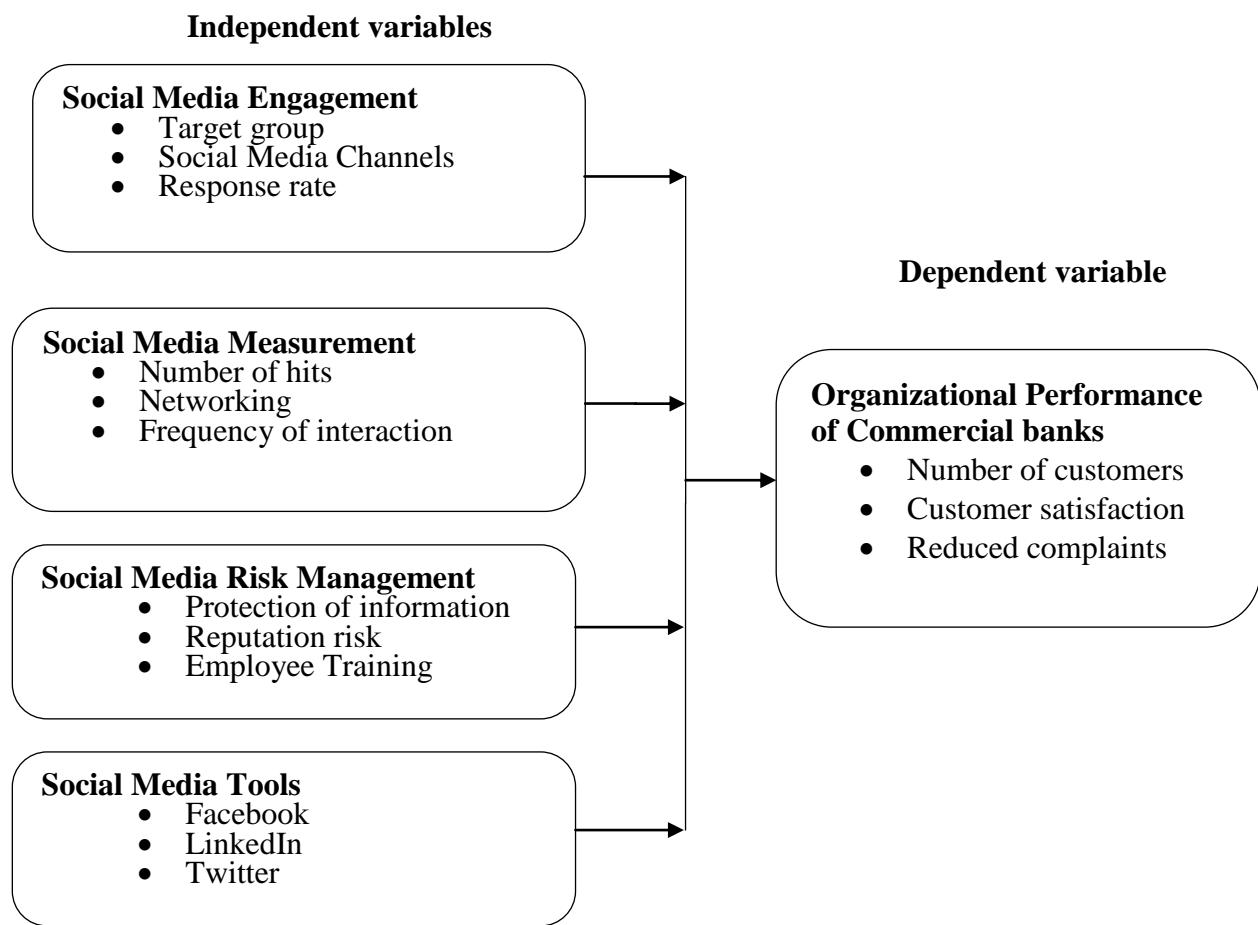
As such, using social media tools effectively in a corporate setting requires a certain level of trust and the ability to adopt similar values. In this regard, social media will continue to employ mobile and web-based technologies to create interactive platforms in the banks, which will allow interactive platform via which individuals and communities share, co-create and discuss, thereby providing companies with a new communication landscape (Mehdi, 2014). Below, the study discusses the most popular and user-friendly platforms in the context of business namely: Facebook, Twitter, YouTube, Blog. These are known as top web-based platforms which users are exposed to at an unprecedented pace.

To over 2 billion active users, Facebook provides a virtual reality in cyberspace where users can enact identities for their friends, acquaintances, and a larger passing public (Noor Al-Deen & Hendricks, 2011). In the business perspective, Facebook is an apt social networking tool that allows employees, stakeholders and the general public to interact in a way which supports business activities through browsing and following the pages. According to Iowa State University (2014), “pages can be set up by businesses or organizations and used to post news, events, links, photos and video as well as offering some custom usability”. The study also highlighted that people within organizations have become virtually attached to this platform to an extent that they share every event and moment of their dispositions and work. According to

(Noor Al-Deen and Hendricks, 2011) twitter is a social medium or platform that allows individual to share short messages with a network of other users.

## 2.4. Conceptual Framework

The conceptual framework below is an illustration of the assumed relationship between the independent variables on social media strategies as well as their indicators and the dependent variable (performance of commercial banks) and its indicators in Makueni County.



**Figure 2.1: Conceptual Framework**

The independent variables of the study were social media engagement measured through target group, social media channels and response rate, social media measurement measured through number of hits, networking and frequency of interaction, social media risk management measured through protection of information, reputation risk and employee training and finally social media management measured through facebook, LinkedIn and twitter. The dependent

variable was the organizational performance of commercial banks and was measured using the number of customers, customer satisfaction and reduced complaints. The framework also illustrates how the findings may assist the banks in Kenya in identifying and implementing social media platforms that will facilitate healthier customer relationship since it has explained the importance and factors affecting social media in enhancing the organization performance.

## **2.5.Research gaps**

The state of inbound marketing exposed some huge differences between whatever marketers want to do to the online community for people to find and buy their products, and what customers are interested in. Customer needs and preferences are changing from time to another; and it is the duty of the marketers to adopt strategies to cope with the same. Commercial banks in Makueni County mostly lack the knowledge of what the customer expects; a primary cause in most organizations to meeting customer assumes that the area requires an accurate understanding of exactly what those expectations are. As a result, a gap exists between the bank's perceptions of customer expectations.

There is a lot of contradictory literature on the influence of social media strategies on the organizational performance of commercial banks in Makueni County. Some studies argue that use of social media has a positive impact on the organizational performance of commercial banks while others argue that there is a negative relationship between the two variables. These findings suggest confusion and inadequate knowledge on the real influence of social media strategies on organizational performance of organizations such as commercial banks despite the increased adoption of social media by such organizations. Therefore, this study aims to contribute to the existing literature by establishing the influence of social media strategies on the organizational performance of Commercial banks in Makueni County.

## CHAPTER THREE

### 3.0. RESEARCH METHODOLOGY

#### 3.1. Introduction

In this chapter the research methodology is presented in the following order, research design, target population, sampling procedure, data collection methods, validity and reliability, data analysis and presentation.

#### 3.2. Research Design

The study adopted a descriptive research design. A descriptive study is concerned with determining the frequency with which something occurs, or the relationship between variables (Orodho, 2004). Thus, this approach is appropriate for this study, since the researcher intends to collect detailed information through descriptions and was useful for identifying variables and hypothetical constructs. This method has provided descriptions of the variables in order to answer the research questions in the study. Therefore, it is an efficient way to use to obtain information needed to describe the opinions and views of the respondents on the influence of social media strategies on the organizational performance of commercial banks in Makueni County.

#### 3.3. Target Population

The study targeted a total population of 205 permanent and pensionable bank employees working in the 13 commercial banks identified in Makueni County. Commercial banks in Makueni County were targeted because anything done in the commercial banks is a reflection of what happens in the head office and that instructions are given from head office for processes to work concurrently. The number of staff for each branch is as shown in the table below.

**Table 3.1: Target Population**

	<b>No. of staff</b>
1. KCB Wote	26
2. KCB Kikima	9
3. KCB kibwezi	13
4. KCB Makindu	17
5. KCB Mtito	13
6. KCB Emali	13
7. Equity Bank wote	22
8. Equity Bank Kibwezi	15
9. Barclays Bank Wote	18
10. Family Bank Wote	15
11. Sidian Bank Emali	15
12. Cooperative Bank Wote	14
13. Cooperative Bank Emali	15
<b>Total</b>	<b>205</b>

Source: Author, 2018

### **3.4. Sample Size and Sampling Procedure**

A sample is a small cluster obtained from an accessible population (Mugenda, 2011). The study collected data from a sample of 103 members of staff who were randomly selected from the target population. The researcher prepared a list of all the bank employees and number them serially from 1 to 205 and then systemic random selection carried out by picking every 2<sup>nd</sup> participant. Those picked during this process formed the study participants.

### **3.5. Research Instruments**

The main research instrument that was used in this study was questionnaires. In developing the questionnaire items, the fixed choice and open-ended formats of the item was used. This format was used in all categories of the questionnaires. However, according to (Saunders, 2004), in the closed-ended items, there is a temptation to avoid serious thinking on the part of the respondent therefore the researcher was required to use more scholarly language especially when providing acceptable answers to prevent the respondent from choosing only the easiest alternatives. It is because of these reasons that it is necessary to combine this format of items with a few open-ended response items.

### **3.6. Pilot study**

A pilot study is a small-scale preliminary study conducted to evaluate the feasibility, time, cost, adverse events and effects in an attempt to predict an appropriate sample size and improve upon the study design before performance of full-scale research (Quantitative Analysis). It is carried out on members of the relevant population but not all those who formed part of the final sample because it may influence the later behaviour of research subjects if they have already been involved in the research.

To ascertain the reliability and validity of the research instruments, the data collection instrument was piloted on 24 possible research participants, employees of commercial banks in the neighboring Kitui County. Random sampling technique was used to select six commercial banks, six respective bank branches and four members of staff from each of the six selected bank branches. The piloting was conducted only once and the findings from the pilot study were used to redesign the questionnaire before the actual data collection.

### **3.7. Validity of Research Instruments**

Validity is the degree to which results obtained and data analyzed represent the phenomenon under investigation (Orodho, 2004). A research instrument is valid depending on how the data collected regarding how useful the items have sampled significant aspects of the purpose of the study; research instrument should provide adequate coverage of the topic. Content validity of the research instrument was enhanced through expert judgment (Best, 2006). The researcher prepared the tool in consultation with the research supervisors to ensure that the specific areas or objectives are covered by the tools. A research expert helped the researcher identify areas of weakness of the instruments and make the appropriate corrections which was incorporated into the instruments to increase its validity.

### **3.8. Reliability of Research Instruments**

Reliability is a measure of how consistently the findings apply to other organizations. The researcher chose appropriate data collection instruments and pilot tested them to ascertain reliability before the research is conducted. The researcher used the test-re-test method to measure reliability by issuing the questionnaire to a group of respondents and then after some

period, reissued the same team to ascertain similarity. For scaled items, Cronbach Alpha- a model for internal consistency was then used to test the reliability level and an alpha score of 0.70 or higher was considered according to Saunders (2004).

### **3.9. Data Analysis**

Data analysis according to Yin (2003) involves examining, categorizing, tabulating or otherwise combining the evidence to address the initial propositions of a study. Before data entry, the screening was done. Data screening ensures that responses are legible and understandable and that reactions are within an acceptable range and are complete, and all of the necessary information has been included (Kothari, 2004). Collected data was coded and entered into the SPSS version 23 program the tool that aided in data analysis.

Descriptive statistics was used to summarise the data including percentages and frequencies. Tables and other graphical presentations deemed appropriate were used to present the data collected for ease of understanding and analysis. Inferential statistics, Pearson correlation, which ranges from negative one to positive one inclusive ( $-1 \leq r \leq +1$ ) were used to test the association between the dependent and independent variables. Multiple regressions also used to determine the prediction factor of dependent variable caused by independent variables.

$$Y = C + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \alpha \quad (\text{Cronbach, 1951})$$

Where:-

$\beta_1, \beta_2, \beta_3$  and  $\beta_4$  are the regression coefficients of the independent variables

$Y$  = Dependent variable (Organizational performance of Commercial banks)

$C$  = Constant

$X_1$  = Social Media Engagement

$X_2$  = Social Media Measurements

$X_3$  = Social Media Risk Management

$X_4$  = Social Media Tools

$\alpha$  is the error term normally distributed about a mean of zero. For computation purposes, it is assumed zero. The data were summarized in chapter four and represented in frequency tables and percentages.

## CHAPTER FOUR

### 4.0. RESULTS

#### 4.1. Introduction

This chapter contains data presentation, analysis and interpretation in the following sub-themes questionnaire response rate, demographic data for bank employees, social media engagement, social media measurement, social media management and the use of the various social media tools and how they influence the organizational performance of commercial banks in Makueni County. Data analysis was done using both qualitative and inferential statistics with the aid of Statistical Package for Social Scientists (SPSS) and then presented in tables. Qualitative data were analyzed thematically according to the study objectives.

#### 4.2. Response Rate

To collect the required data for this study, a total of 103 questionnaires were administered as described in the following categories; 13 branch managers and 90 employees of the commercial banks in Makueni County. Out of the total 103 study participants, 20 were from KCB, 36 from Equity Bank, 27 from Cooperative Bank, 9 from Barclays Bank, 8 from Sidian Bank and 20 from Family bank. The table below illustrates the distribution of the study participants across the six (6) main registered banks in. The findings are summarized in table 4.1. All the questionnaires administered were successfully completed and returned hence the response rate was 100%.

**Table 4.1: Questionnaire return rate in each category**

	No. of staff	Targeted Questionnaires	Questionnaires Returned	Response Rate
1. KCB Wote	26	13	13	100%
2. KCB Kikima	9	4	4	100%
3. KCB Kibwezi	13	6	6	100%
4. KCB Makindu	17	8	8	100%
5. KCB Mtito	13	6	6	100%
6. KCB Emali	13	6	6	100%
7. Equity Bank Wote	22	11	11	100%
8. Equity Bank Kibwezi	15	8	8	100%
9. Barclays Bank Wote	18	9	9	100%
10. Family Bank Wote	15	8	8	100%
11. Sidian Bank Emali	15	8	8	100%
12. Cooperative Bank Wote	14	8	8	100%
13. Cooperative Emali	15	8	8	100%
Total	205	103	103	100%

The analysis revealed that 103 questionnaires were filled and returned leading to an average response rate of 100%. According to Mugenda and Mugenda (2003) a response rate of 60% while a response rate of 70% and over is very good. Therefore a response rate of 100% for this study was considered very well. This has helped to increase the reliability of the study findings. This high return rate was enhanced through the use of well guided and facilitated Research Assistants. The study sought to determine the demographic characteristics of the respondents. These include respondents' gender, age, and level of education and use of agency services. The results are discussed in the following subsequent sub-themes.

**Table 4.2: Gender of the study participants**

Gender of the study participants	Frequency of Responses	Valid Percent (%)
Male	66	64.1
Female	37	35.9
<b>Total</b>	<b>103</b>	<b>100.0</b>

Table 4.2 shows that, majority of respondents were male (64.1%) while the female were 35.9%. This suggests that there are more male than female bank employees. However, the banks have complied with the two thirds gender rule in the distribution of the employment opportunities. Also, the respondent's gender had no influence on the study results.

**Table 4.3: Respondents' Age Distribution**

<b>Age of Respondents</b>	<b>Frequency</b>	<b>Percent (%)</b>	<b>Cumulative Percent</b>
below 30 years	19	18.4	18.4
30-34 years	23	22.3	40.8
35-40 years	49	47.6	88.3
40-45 years	12	11.7	100.0
<b>Total</b>	<b>103</b>	<b>100.0</b>	

Majority of the bank employees are of the age between 35 and 40 years at 47.6% while the least number of bank employees contacted were of the age between 40 and 45 years at 11.7%.

**Table 4.4: Respondents Academic level**

<b>Academic Qualification</b>	<b>Frequency</b>	<b>Percent (%)</b>	<b>Cumulative Percent</b>
Certificate	1	1.0	1.0
Diploma	6	5.8	6.8
Degree	68	66.0	72.8
Masters	28	27.2	100.0
<b>Total</b>	<b>103</b>	<b>100.0</b>	

Table 4.4 shows that majority of the respondents were degree holders (66.0%) while the least were the certificate holders (1.0%). These results suggest that the commercial banks prefer graduate and postgraduate employees to those with other lower qualifications.

### **4.3. Empirical Findings**

The findings of this research were summarized, presented in tables and discussed according to the above order of the objectives.

#### **4.3.1. Descriptive statistics**

The data collected from the four independent variables and the one dependent variable as illustrated in the conceptual framework were generated and summarized in the table below. The table has summarized the responses on the number of responses, minimum, maximum, mean and standard deviations.

**Table 4.5: Descriptive statistics of the study variables**

Variable	Indicator	N	Minimum	Maximum	Mean	Std. Deviation
<b>Social media engagement</b>	Target group	103	1.00	4.00	2.6893	1.01004
	Response rate	103	1.00	3.00	2.1165	.63092
	Social media channel	103	1.00	5.00	2.1068	1.21197
<b>Social media measurement</b>	Social media hits	103	1.00	4.00	1.6408	.92730
	Social media networking	103	1.00	2.00	1.2913	.45657
	Frequency of interaction	103	3	5	4.47	.698
<b>Social media risk management</b>	Social media protection of shared information	103	1	2	1.20	.405
	Reputation risk	103	1.00	99.00	9.5631	27.80946
	Employee training	103	1	4	2.94	1.037
<b>Social media tools</b>	Rate use of 'facebook'	103	1.00	5.00	4.0291	1.31698
	Rate use of 'twitter'	103	1.00	5.00	3.9029	1.26425
	Rate use of 'linkedin'	103	1.00	5.00	2.7961	1.38874
<b>Organizational performance</b>	Customer satisfaction	103	3.00	5.00	4.4854	.66956
	Valid N (listwise)	103				

Social media engagement was measured using three indicators; target group, social media channels and response rate. The most targeted group of customers by the commercial banks through social media was the mass market customers hence the mean score of 2.69 with a SD of 1.0100 suggesting a minimum variation. The response rate to customer queries by the bank was very often hence the mean score of 2.12 with a SD of 0.6309 suggesting a minimum variation while the most used social media channels were facebook and linkedin hence the mean score of 2.11 with a SD of 1.2120 suggesting minimum variation.

Social media measurement was measured using three indicators; number of hits, networking and frequency of interaction. The social media channel that received the highest number of hits per day was facebook hence the mean score of 1.64 with a SD of 0.9273 suggesting a minimum variation. Most of the respondents were of the perception that the use of social media tools increased the bank's customer network hence the mean score of 1.29 with a SD of 0.4566 suggesting a minimum variation. Majority of the respondents reported that the use of social media increased the frequency at which the banks interacted with their customers hence the mean score 4.47 with a SD of 0.698 suggesting a minimum variation.

Social media risk management was measured using three indicators; protection of information, reputation risk and employee training. Majority of the respondents agreed that the use of social media increased the protection of shared information hence the mean score of 1.20 with a SD of 0.405 suggesting a minimum variation. Majority of the respondents were of the perception that social media use helps improve the organization's reputation in the management of risks. However, some respondents left the question unanswered and since 99 was used to code the missing responses, the mean score was 9.56 with a SD of 27.8095 suggesting a high variation. Majority of the respondents reported that most of their institutions provided employee training on the use and management of social media information annually hence the mean score of 2.94 with a SD of 1.037 suggesting a minimum variation.

Social media tools were measured using the use of 'facebook', 'linkedIn', and 'Twitter'. Customers were asked to rate the level of satisfaction associated with the various use of the social media tools. The responses were recorded in a 5 point likert scale where 5 meant 'very high' 4 meant 'high', 3 meant 'average', 2 meant low while 1 meant 'very low'. Majority of the respondents reported the highest use of facebook followed by linkedin and then twitter hence the mean score of 4.03 with a SD of 1.3170, 3.90 with a SD of 1.2643 and 2.80 with a SD of 1.3887 all of which suggest a minimum variation respectively.

#### **4.3.2. Social Media Engagement and Organizational Performance**

The first objective for this study was to determine the influence of the social media engagement on the organizational performance of commercial banks in Makueni County. To achieve this objective, the respondents were first required to indicate whether the social media engagement influences the organizational performance of commercial banks in Makueni County. The social media engagement indicators included the target group, social media channels and the response rate. The overall responses were summarized in the table below.

**Table 4.6: Target Group**

<b>Target Group</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Corporate	17	16.5	16.5	16.5
Business club	22	21.4	21.4	37.9
Mass market customers	40	38.8	38.8	76.7
Students	24	23.3	23.3	100.0
<b>Total</b>	<b>103</b>	<b>100.0</b>	<b>100.0</b>	

The results in the table above represent the kind of customers target by the commercial banks using the available social media channels. The results suggested that the most targeted group of customers by the commercial banks in Makueni County were the mass market customers which included teachers, police, nurses and other civil servants at 38.8%. Corporate customers were the least targeted at 16.5%.

**Table 4.7: Responses: Social Media Channels**

<b>Social Media Channel</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
facebook	44	42.7	42.7	42.7
twitter	28	27.2	27.2	69.9
linkedIn	9	8.7	8.7	78.6
whatsapp	20	19.4	19.4	98.1
internet	2	1.9	1.9	100.0
<b>Total</b>	<b>103</b>	<b>100.0</b>	<b>100.0</b>	

The table above represents the various social media channels used by the commercial banks in Makueni County. The results suggested that facebook was the most widely used social media channel by the majority (42.7%) of the commercial banks in Makueni County. Internet was used by the least proportion of commercial banks (1.9%) to improve or increase their organizational performance.

**Table 4.8: Response Rate to Customer Queries**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
rarely	15	14.6	14.6	14.6
often	61	59.2	59.2	73.8
very often	27	26.2	26.2	100.0
<b>Total</b>	<b>103</b>	<b>100.0</b>	<b>100.0</b>	

The table above represents a summary on the response rate to customer queries by the commercial banks in Makueni County. The results suggested that the majority of the commercial banks often responded to the queries from their customers at 59.2% while the least number of commercial banks rarely responded to their customer queries. To further understand the influence of social media engagement on the organizational performance the researcher stated and tested the following hypothesis:-

**Null hypothesis ( $H_01$ ): There is no significant relationship between the social media engagement and the organizational performance of commercial banks.**

**Table 4.9: Social Media Engagement and Organizational Performance**

		Target group	Response rate	Social media channel	Organizational performance
<b>Target group</b>	Pearson Correlation	1	.888 **	-.189	-.732 **
	Sig. (2-tailed)		.000	.056	.000
	N	103	103	103	103
<b>Response rate</b>	Pearson Correlation	.888 **	1	-.209 *	-.715 **
	Sig. (2-tailed)	.000		.034	.000
	N	103	103	103	103
<b>Social media channel</b>	Pearson Correlation	-.189	-.209 *	1	.225 *
	Sig. (2-tailed)	.056	.034		.022
	N	103	103	103	103
<b>Organizational performance</b>	Pearson Correlation	-.732 **	-.715 **	.225 *	1
	Sig. (2-tailed)	.000	.000	.022	
	N	103	103	103	103

\*\*. Correlation is significant at the 0.01 level (2-tailed).

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

The findings of this study revealed that there was a strong negative correlation at 99% confidence level between target group and the organizational performance of commercial banks in Makueni County ( $r = -0.732$ ,  $p = 0.000$ ). Since  $p < 0.001$ , it was concluded that there is a significant relationship between the target and organizational performance of commercial banks in Makueni County. There was also a strong negative correlation between response rate and organizational performance ( $r = -0.715$ ,  $p = 0.000$ ).

Since  $p < 0.01$ , it was concluded that there is a significant correlation between the response rate to queries and organizational performance of commercial banks in Makueni County. Finally, there

was also a weak positive correlation between the social media channel and organizational performance ( $r= 0.225$ ,  $p=0.022$ ). The correlation was not significant at 99% but was significant at 95% confidence level since  $p<0.05$ . Based on the social media engagement indicators used in this study, it can be concluded that there was a strong negative and significant correlation between social media engagement and organizational performance by commercial banks in Makueni County.

#### 4.3.3. Social Media Measurement and Organizational Performance

The second research objective was to determine the influence of the social media measurement on the organizational performance of commercial banks in Makueni County. The social media measurement indicators used in this study were ‘the number of hits’ the bank received on the various social media channels which included facebook, twitter, linkedIn and others. The responses were summarized in the table below.

**Table 4.10: Responses on number of social media hits**

Number of Hits	Frequency	Percent	Valid Percent	Cumulative Percent
21-50 hits	12	11.7	11.7	11.7
51-100 hits	31	30.1	30.1	41.7
more than 100 hits	60	58.3	58.3	100.0
<b>Total</b>	<b>103</b>	<b>100.0</b>	<b>100.0</b>	

The results presented in the table above revealed that, most of the commercial banks (58.3%) received more than 100 hits per day while the least reported that they receive between 21 and 50 hits per day.

**Table 4.11: Social Media Networking**

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Increases	73	70.9	70.9	70.9
Neutral	30	29.1	29.1	100.0
<b>Total</b>	<b>103</b>	<b>100.0</b>	<b>100.0</b>	

The respondents were asked to indicate the effect of the use of social media on the network of the bank customers. They were asked to state if it increases, decreases or does not affect their network. The responses were summarized in the table above. The results suggested that the network of the most of the commercial banks (70.9%) increased with increased use of social

media while the rest of the commercial banks felt that use of social media did not have any effect on their customer network. None felt that social media decreases the bank's customer network.

**Table 4.12: Frequency of interaction with customers**

<b>Responses</b>		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	often	68	66.0	66.0	66.0
	very often	35	34.0	34.0	100.0
<b>Total</b>		<b>103</b>	<b>100.0</b>	<b>100.0</b>	

The respondents were asked to report on the frequency at which they interacted with their customers. Their responses were summarized and presented in the table above. The results suggested that 66% of the commercial banks often responded to their customer queries. The other respondents reported that they responded very often to the queries from their customers. To ascertain the influence of social media measurement on the organizational performance of commercial banks in Makueni County, the researcher stated and tested the following hypothesis. The results were summarized and presented in the table below.

**H<sub>02</sub>: There is no significant relationship between the social media measurement and the organizational performance of commercial banks.**

Table 4.13: Social media measurement and organizational performance

		<b>Social media hits</b>	<b>Social media networking</b>	<b>frequency of interaction</b>	<b>Organizational Performance</b>
<b>Social media hits</b>	Pearson Correlation	1	.620 **	.064	-.506 **
	Sig. (2-tailed)		.000	.519	.000
	N	103	103	103	103
<b>Social media networking</b>	Pearson Correlation	.620 **	1	.155	-.531 **
	Sig. (2-tailed)	.000		.119	.000
	N	103	103	103	103
<b>frequency of interaction</b>	Pearson Correlation	.064	.155	1	-.300 **
	Sig. (2-tailed)	.519	.119		.002
	N	103	103	103	103
<b>Organizational Performance</b>	Pearson Correlation	-.506 **	-.531 **	-.300 **	1
	Sig. (2-tailed)	.000	.000	.002	
	N	103	103	103	103

\*\*. Correlation is significant at the 0.01 level (2-tailed).

Social media measurement was measured using social media hits, social media networking and frequency of interaction. Each of the indicators was compared against organizational

performance and effects between them measured using correlation. The results revealed that there was a moderate negative correlation between social media hits as well as social media networking and organizational performance ( $r= -0.506, p=0.000$ ) and ( $r=-0.531, p=0.000$ ) respectively.

Since,  $p<0.01$ , there was a significant relationship between social media hits as well as social media networking and organizational performance. There was a weak negative correlation between the frequency of interaction with the bank customers and organizational performance ( $r=-0.300, p=0.002$ ). Since  $p<0.01$ , there was a significant relationship between the frequency of interaction and organizational performance of commercial banks in Makueni County. Overall, there was a negative and a significant relationship between social media measurement and organizational performance by the commercial banks in Makueni County.

#### **4.3.4. Social Media Risk Management and Organizational Performance**

The third objective of this study was to find out the influence of social media risk management on the organizational performance of commercial banks in Makueni County. To achieve this objective, three indicators were used; protection of shared information, reputation risk and employee training. The respondents were asked to either agree or disagree with the statement, ‘social media helps in the protection of shared information’. The responses were summarized in the table below.

**Table 4.14: Responses on protection of information**

	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
yes	82	79.6	79.6	79.6
no	21	20.4	20.4	100.0
<b>Total</b>	<b>103</b>	<b>100.0</b>	<b>100.0</b>	

The results in the table above revealed that majority of the respondents (79.6%) agreed while the rest (20.4%) disagreed with the opinion that the use of social media helps in the protection of shared information. The respondents were also asked to state whether the use of social media improved the organization’s reputation in the management of risks. The responses were summarized and presented in the table below.

**Table 4.15: Reputation on the management of risks**

	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
yes	94	91.3	91.3	91.3
missing	9	8.7	8.7	100.0
<b>Total</b>	<b>103</b>	<b>100.0</b>	<b>100.0</b>	

The results in the table above suggested that majority of the respondents (91.3%) were of the opinion that the use of social media by the commercial banks improved their reputation in the management of risks while the rest left the question unanswered. None of the respondents was of the contrary opinion. The respondents were also asked to state the frequency at which their organizations provided training to employees on the management of social media tools or channels. The responses were summarized and presented in the table below.

**Table 4.16: Employee Training**

<b>Training Interval</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
monthly	14	13.6	13.6	13.6
quarterly	16	15.5	15.5	29.1
semi annually	35	34.0	34.0	63.1
annually	38	36.9	36.9	100.0
<b>Total</b>	<b>103</b>	<b>100.0</b>	<b>100.0</b>	

The results in the table above suggested that majority (36.9%) of the commercial banks provided training to their employees on social media management annually while the least (13.6%) of the commercial banks provided monthly employee training on the management of social media information or content. To investigate further on the influence of social media risk management and organizational performance, the researcher stated and tested the following null hypothesis;

**H<sub>03</sub>: There is no significant relationship between the social media risk management and the organizational performance of commercial banks.**

**Table 4.17: Social media risk management and organizational performance**

		Social Media Protects shared information	Social Media- Reputation on risk management	Employee Training on risk management	Organizational performance
<b>Social Media Protects shared information</b>	Pearson Correlation	1	.355**	.496**	-.622**
	Sig. (2-tailed)		.000	.000	.000
	N	103	103	103	103
<b>Social Media- Reputation on risk management</b>	Pearson Correlation	.355**	1	.317**	-.638**
	Sig. (2-tailed)	.000		.001	.000
	N	103	103	103	103
<b>Employee Training on risk management</b>	Pearson Correlation	.496**	.317**	1	-.721**
	Sig. (2-tailed)	.000	.001		.000
	N	103	103	103	103
<b>Organizational performance</b>	Pearson Correlation	-.622**	-.638**	-.721**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	103	103	103	103

\*\*. Correlation is significant at the 0.01 level (2-tailed).

The results in the table above suggested that there was a moderate negative correlation between all the three social media risk management indicators and organizational performance. The correlation between social media protection of shared information and organizational performance was ( $r = -0.622$ ,  $p=0.000$ ), social media reputation on risk management and organizational performance was ( $r=-0.638$ ,  $p=0.000$ ) while between employee training and organizational performance was ( $r=-0.721$ ,  $p=0.000$ ). The results of this study revealed that there was a significant relationship between all the social media risk management indicators and organizational performance at 99% confidence level because all the three indicators had a  $P<0.001$ . The null hypothesis was rejected and it was concluded that there is a significant relationship between the social media risk management and the organizational performance of commercial banks in Makueni County.

#### 4.3.5. Social Media Tools and Organizational Performance

The fourth objective of this study sought to establish if the social media tools used affected the organizational performance of commercial banks in Makueni County. To achieve this objective, the respondents were asked to rate on a scale of 5 (1 to suggest least use to 5 suggesting most use). The use of the three commonly used social media platforms (Facebook, twitter and linkedin) by their organizations was investigated and the findings of this study were summarized in the table below.

**Table 4.18: Responses on social media tools use rating-Facebook**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	Very low	10	9.7	9.7
	Low	5	4.9	14.6
	Average	12	11.7	26.2
	High	21	20.4	46.6
	Very high	55	53.4	100.0
	<b>Total</b>	<b>103</b>	<b>100.0</b>	<b>100.0</b>

The results in the table above revealed that out of the three social media tools investigated, majority of the respondents (53.4%) and 20.4% reported a very high and high use of Facebook in their organizations respectively. Only 9.7% of the respondents reported a very low use of facebook in their organizations.

**Table 4.19: Responses on social media tools use rating-twitter**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	very low	8	7.8	7.8
	low	8	7.8	15.5
	average	15	14.6	30.1
	high	27	26.2	56.3
	very high	45	43.7	100.0
	<b>Total</b>	<b>103</b>	<b>100.0</b>	<b>100.0</b>

When the respondents were asked to rate the use of twitter in their organizations, the results revealed that only 43.7% and 26.2% of the respondents were of the view that the use of twitter as a social media platform in their organization was very high and high respectively. Only 7.8% rated its use as very low in their organizations.

**Table 4.20: Responses on social media tools use rating-linkedIn**

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Low	28	27.2	27.2
	Low	10	9.7	36.9
	Average	37	35.9	72.8
	High	11	10.7	83.5
	Very High	17	16.5	100.0
	<b>Total</b>	<b>103</b>	<b>100.0</b>	<b>100.0</b>

When the study investigated the use of LinkedIn as a social media platform in their organizations, the results revealed that majority of the respondents (35.9%) were of the view that there was an average use of LinkedIn in their organizations. Only 16.5% and 10.7% reported a very high and high use respectively. To find out the influence of social media tools on the organizational performance, the researcher further proceeded to test the following research hypothesis.

**H<sub>04</sub>:** There is no significant relationship between the social media tools and the organizational performance of commercial banks.

**Table 4.21: Social media tool and organizational performance**

		Organizational Performance	Social media tool-Facebook	Social media tool-Twitter	Social media tool-LinkedIn
Organizational Performance	Pearson Correlation	1	.406 **	.508 **	.793 **
	Sig. (2-tailed)		.000	.000	.000
	N	103	103	103	103
Social media tool-Facebook	Pearson Correlation	.406 **	1	.791 **	.234 *
	Sig. (2-tailed)	.000		.000	.017
	N	103	103	103	103
Social media tool-twitter	Pearson Correlation	.508 **	.791 **	1	.340 **
	Sig. (2-tailed)	.000	.000		.000
	N	103	103	103	103
Social media tool-LinkedIn	Pearson Correlation	.793 **	.234 *	.340 **	1
	Sig. (2-tailed)	.000	.017	.000	
	N	103	103	103	103

\*\*. Correlation is significant at the 0.01 level (2-tailed).

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

The social media tools were measured using the rate of using facebook, twitter and linkedIn. The results in the table above suggested that there is a moderate positive correlation between the use of Facebook and the organizational performance of commercial banks at 99% confidence level

( $r = 0.406$ ,  $p = 0.000$ ). There was also a moderate positive correlation between use of twitter and organizational performance at 99% level of confidence ( $r = 0.508$ ,  $p = 0.000$ ). There was a strong positive correlation between the use of linkedIn and organizational performance of commercial banks at 99% level of confidence ( $r = 0.793$ ,  $p = 0.000$ ). Since  $P < 0.01$  for all the three indicators of social media tools, it was concluded that there is a significant relationship between the use of social media tools and the organizational performance of commercial banks in Makueni County.

#### 4.4. Regression Analysis

Correlation and multiple regression analyses were conducted to examine the relationship between organizational performance of commercial banks in the area of study and various potential predictors. The regression was used because it gives an equation which helps in the prediction of the dependent variable from a given independent variable and vice versa. It also shows how a unit increases or decreases in the independent variable affects the dependent variable. The researcher also generated a model summary indicating the predictors of the dependent variable as shown in the table below.

**Table 4.22: Model Summary**

<b>Model Summary</b>						
Model	R	R Square	Adjusted R Square	Std. Error	of the	Estimate
1	.911 <sup>a</sup>	.831	.808	.29327		
a. Predictors: (Constant), rate use of linkedin, frequency of interaction with customers, social media channel, rate of use of facebook, social media protects shared information, social media no of hits, rate use of twitter, social media and networking, social media and Reputation of risk management, response rate to queries, employee training, target group.						

The value of R in the model summary above suggests that there is a strong positive correlation between the observed and the predicted values of the dependent variable. The value of R Square suggests that, only 83.1% of the total variation in the dependent variable can be explained by the independent variables studied. Therefore, only 26.9% of the total variation in organizational performance cannot be explained by the model used in this study.

**Table 4.23: Coefficients-Multiple Regression Model**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.706	1.001		1.705	.092
Target Group X <sub>1</sub>	-.072	.160	-.109	-.451	.653
Response Rate X <sub>2</sub>	.448	.174	.423	2.571	.012
Social Media Channel X <sub>3</sub>	.019	.028	.034	.690	.492
Social Media Hits X <sub>4</sub>	.146	.050	.202	2.915	.004
Social Media and Networking X <sub>5</sub>	.037	.120	.025	.308	.759
Frequency of Interaction X <sub>6</sub>	.328	.154	.233	2.131	.036
Social Media Protects Shared Information X <sub>7</sub>	-.384	.105	-.232	-3.667	.000
Reputation of Risk management X <sub>8</sub>	-.008	.002	-.313	-3.576	.001
Employee Training X <sub>9</sub>	-.088	.144	-.137	-.613	.541
Rate Use of Facebook X <sub>10</sub>	-.013	.042	-.025	-.302	.763
Rate Use of Twitter X <sub>11</sub>	.107	.053	.202	2.033	.045
Rate Use of LinkedIn X <sub>12</sub>	.368	.149	.763	2.475	.015

a. Dependent Variable: Organizational Performance by Commercial banks

**Regression model:**  $Y = C + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9 + \beta_{10} X_{10} + \beta_{11} X_{11} + \beta_{12} X_{12}$  (Cronbach, 1951)

**Specific Regression Model:**  $Y = 1.706 - 0.072X_1 + 0.448X_2 + 0.019X_3 + 0.146X_4 + 0.037X_5 + 0.328X_6 - 0.84X_7 - 0.008X_8 - 0.088X_9 - 0.013X_{10} + 0.107X_{11} + 0.368X_{12}$

Organizational performance of commercial banks = 1.706 - 0.072(target group) + 0.448(Response rate to customer queries) + 0.019(social media channel used) + 0.146(social media hits) + 0.037(social media networking) + 0.328(frequency of interaction with customers) - 0.384(Social media protection of shared information) - 0.008(Reputation of risk management) - 0.088(employee training) - 0.013 (rate of using facebook) + 0.107(rate of using twitter) + 0.368(rate of using linkedIn). The positive beta values indicate that the corresponding variables have positive

regression weights on the dependent variable while the variables with negative beta values indicate that they have negative regression weights on the dependent variable with the corresponding values.

From the results in the table above, there is a significant prediction of the dependent variable (organizational performance) by two social media risk management indicators (social media and protection of shared information at  $p=0.000$  and reputation of risk management at  $p=0.01$ ). This model shows that the social media engagement, particularly the response rate to queries from customers has the highest contribution to the regression equation compared to the other eleven indicators of the independent variables. These results are also supported by the values indicated after the analysis of variables as shown in the table below.

**Table 4.24: ANOVA**

ANOVA <sup>a</sup>					
Model		Sum of Squares	df	Mean Square	F
1	Regression	37.987	12	3.166	36.805
	Residual	7.741	90	.086	
	Total	45.728	102		

a. Dependent Variable: organizational performance  
b. Predictors: (Constant), rate use of linkedin, frequency of interaction, social media channel, rate of using facebook, social media protects shared information, social media no of hits, rate of using twitter, social media and networking, Reputation risk of risk management, response rate to customer queries, employee training, target group

Since the significance value in the analysis of variance table is 0.000 and it is less than 0.01, then we can conclude that there is a statistically significant difference between organizational performance of commercial banks in Makueni County and all the eleven indicators of the four independent variables studied (social media tool, social media measurement, social media risk management, social media engagement).

## CHAPTER FIVE

### 5.0.SUMMARY AND DISCUSSION

#### 5.1. Introduction

This chapter presents a summary and discussion of the key findings and how these findings relate with the findings of other previous studies.

#### 5.2.Summary of the Findings

There is a positive relationship between social media engagement as well as the use of social media tools on the organizational performance of commercial banks in Makueni County. There is a negative relationship between social media measurement as well as social media risk management on the organizational performance of commercial banks in the area of study.

##### 5.2.1. Social Media Engagement and Organizational Performance

The findings of this study revealed a strong negative correlation between target group and the organizational performance of commercial banks in Makueni County at 99% confidence level ( $r = -0.732$ ,  $p = 0.000$ ). Since  $p < 0.001$ , it was concluded that there is a significant relationship between the target group and organizational performance of commercial banks in the area of study. The groups targeted by the commercial banks using social media platforms included the corporate, business class, mass market customers and students. The results indicated that an increase in the target group would lead to a decrease in the organizational performance and vice versa. This suggested that an increased target of corporate customers would lead to increased organizational performance than increased target of student customers.

There was also a strong negative correlation between response rate and organizational performance ( $r = -0.715$ ,  $p = 0.000$ ). Since  $p < 0.01$ , it was concluded that there is a significant correlation between the response rate to queries and organizational performance of commercial banks in Makueni County. Since the response rate responses were coded such that the low response rate received a higher score than high response rate, the findings indicated that an organizational performance would increase with increased or higher response rate compared to low response rate.

Finally, there was also a weak positive correlation between the social media channel and organizational performance ( $r= 0.225$ ,  $p=0.022$ ). The correlation was not significant at 99% but was significant at 95% confidence level since  $p<0.05$ . Based on the social media engagement indicators used in this study, it was concluded that there was a strong negative and significant correlation between social media engagement and organizational performance by commercial banks in Makueni County.

### **5.2.2. Social Media Measurement and Organizational Performance**

Social media measurement was measured using the number of social media hits, social media networking and frequency of interaction. Each of the indicators was compared against organizational performance and effects between them measured using correlation. The results revealed that there was a moderate negative correlation between social media hits as well as social media networking and organizational performance ( $r= -0.506$ ,  $p=0.000$ ) and ( $r=-0.531$ ,  $p=0.000$ ) respectively. Since,  $p<0.01$ , there was a significant relationship between social media hits as well as social media networking and organizational performance. There was a weak negative correlation between the frequency of interaction with the bank customers and organizational performance ( $r= -0.300$ ,  $p=0.002$ ). Since  $p<0.01$ , there was a significant relationship between the frequency of interaction and organizational performance of commercial banks in Makueni County. Overall, there was a negative and a significant relationship between social media measurement and organizational performance by the commercial banks in Makueni County.

### **5.2.3. Social Media Risk Management and Organizational Performance**

The results obtained in this study suggested that there was a moderate negative correlation between all the three social media risk management indicators (protection of shared information, reputation of risk management and employee training on use of social media) and organizational performance. The correlation between social media protection of shared information and organizational performance was ( $r= -0.622$ ,  $p=0.000$ ), social media reputation on risk management and organizational performance was ( $r= -0.638$ ,  $p= 0.000$ ) while between employee training and organizational performance was ( $r= -0.721$ ,  $p=0.000$ ). The results of this study revealed that there was a significant relationship between all the social media risk management

indicators and organizational performance at 99% confidence level because all the three indicators had a  $P<0.001$ . It was concluded that there is a significant relationship between the social media risk management and the organizational performance of commercial banks in Makueni County.

#### **5.2.4. Social Media Tools and Organizational Performance**

The social media tools were measured using the rate of using the three most popular social media channels: facebook, twitter and linkedIn. The results suggested that there is a moderate positive correlation between the use of Facebook and the organizational performance of commercial banks at 99% confidence level ( $r = 0.406$ ,  $p = 0.000$ ). There was also a moderate positive correlation between use of twitter and organizational performance at 99% level of confidence ( $r= 0.508$ ,  $p= 0.000$ ). There was a strong positive correlation between the use of linkedIn and organizational performance of commercial banks at 99% level of confidence ( $r= 0.793$ ,  $p=0.000$ ). Since  $P<0.01$  for all the three indicators of social media tools, it was concluded that there is a significant relationship between the use of social media tools and the organizational performance of commercial banks in Makueni County.

According to the findings of this study, all the commercial banks approached agreed to the use social media in their everyday activities to engage their customers especially in disseminating information on their products and responding to queries. This was in agreement with a previous study conducted by Kumar (2014) on social media in financial services. However, the findings of this study revealed a strong negative correlation between target group and the organizational performance of commercial banks in Makueni County at 99% confidence level ( $r = -0.732$ ,  $p = 0.000$ ). Since  $p<0.001$ , it was concluded that there is a significant relationship between the target group and organizational performance of commercial banks in the area of study. There was also a strong negative correlation between response rate and organizational performance ( $r= -0.715$ ,  $p=0.000$ ). Since  $p<0.01$ , it was concluded that there is a significant correlation between the response rate to queries and organizational performance of commercial banks in Makueni County.

Finally, there was also a weak positive correlation between the social media channel and organizational performance ( $r= 0.225$ ,  $p=0.022$ ). The correlation was not significant at 99% but

was significant at 95% confidence level since  $p<0.05$ . Based on the social media engagement indicators used in this study, it can be concluded that there was a strong negative and significant correlation between social media engagement and organizational performance by commercial banks in Makueni County. The findings of this study did not concur with those of previous studies reviewed. For instance, according to a study conducted by Kumar (2014) it was concluded that there is a positive correlation between social media engagement and organizational performance as it promotes a mutual benefit for both the organization and its customers. The study did not state categorically if it was a strong, moderate or weak correlation between the two variables. In addition Olorunnisola (2013) affirmed that social media engagement has the potential of adding meaning and more understanding in the business world.

Social media measurement was measured using the number of social media hits, social media networking and frequency of interaction. Each of the indicators was compared against organizational performance and effects between them measured using correlation. The results revealed that there was a moderate negative correlation between social media hits as well as social media networking and organizational performance ( $r= -0.506$ ,  $p=0.000$ ) and ( $r=-0.531$ ,  $p=0.000$ ) respectively. Since,  $p<0.01$ , there was a significant relationship between social media hits as well as social media networking and organizational performance. There was a weak negative correlation between the frequency of interaction with the bank customers and organizational performance ( $r=-0.300$ ,  $p=0.002$ ). Since  $p<0.01$ , there was a significant relationship between the frequency of interaction and organizational performance of commercial banks in Makueni County.

### **5.3.Discussion**

The purpose of this study was to find out the influence of social media strategies on organizational performance of commercial banks in Makueni County and the investigation was guided by four objectives.

### **5.3.1. Social Media Engagement and Organizational Performance**

The findings of the study revealed a strong negative correlation and a significant relationship between target group and the organizational performance of commercial banks in Makueni County. The study found a strong negative correlation and a significant relationship between the response rate and organizational performance of commercial banks in Makueni County. The study also found a weak positive correlation but no significant relationship between the social media channel and organizational performance of commercial banks in Makueni County. Overall, the study concluded that there is a strong negative and significant correlation between social media engagement and organizational performance by commercial banks in Makueni County.

None of the studies reviewed had directly measured the influence of social media engagement on the organizational performance of commercial banks. However, the previous studies have investigated variables relevant to social media engagement such as the suitability of social media tools in learning more about financial institutions as well as the key aspects which have shaped communication and use of information in productivity and performance of commercial banks. The above previous studies revealed that social media enables customers to learn more about financial institutions and it also widens the employees' interplay (Kumar, 2014).

Another previous study revealed that social media and brand image have a positive relationship that promotes a mutual benefit for both the organization and its customers (Owino, 2011). Therefore, although none of the previous studies had investigated the variables studied in this study, their findings suggested a positive relationship between social media engagement and the organizational performance of commercial banks. The researcher does not agree with the findings of this study. This is because since social media engagement leads to improved and increased access to information and customer network, it is expected to have a positive impact on the organizational performance and productivity of commercial banks.

### **5.3.2. Social Media Measurement and Organizational Performance**

The findings of this study revealed a moderate negative and a significant relationship between social media hits as well as social media networking and organizational performance of

commercial banks in Makueni County. The study also revealed a weak negative and a significant relationship between the frequency of interaction with the bank customers and organizational performance of commercial banks in Makueni County. Overall, the study revealed a negative and a significant relationship between social media measurement and organizational performance of commercial banks in Makueni County.

The findings of this study were not in agreement with those of the previous studies although those that were reviewed did not measure the variables used in this study. The variables studied in the previous studies included the number of followers and their frequency of sharing information through social media channels and how this impacted on the monthly productivity and growth of organizations (Dyer, 2010). The findings revealed a positive impact on the performance of organizations (Wilson, 2003).

Based on the observations made during the study, the researcher did not agree with the findings of this study. The researcher hypothesized that social media measurement would have no impact on the organizational performance of commercial banks in Makueni County. This is because social media measurement is about establishing the number of social media users in different social media channels and their frequency of use. However, social media measurement expected to provide information to the management of organizations on ways of increasing social media usage in their organizations to increase their organizational performance.

### **5.3.3. Social Media Risk Management and Organizational Performance**

This study used three indicators (protection of shared information, reputation of risk management and employee training on use of social media) to find out the influence of social media risk management on the organizational performance of commercial banks in Makueni County. The findings revealed a moderate negative and a significant relationship between all the three social media risk management indicators and organizational performance of commercial banks in the area of study. It was concluded that there was a negative and a significant relationship between the social media risk management indicators and organizational performance of commercial banks in Makueni County. The findings of this study therefore suggested that an increase in social media risk management would significantly reduce the organizational performance and vice versa.

When the researcher compared the findings of this study to those of the previous studies, none of them concurred with this study. All the previous studies suggested a positive relationship between social media risk management and organizational performance of commercial banks (Parker, 2014; Treem, 2012). According to Kaplan (2010), social media risk management involves self-monitoring of the banking institutions on the social media, which is essential to assure compliance, management of risks and helps in the mitigation of cyber security fraud all of which impact positively on the organizational performance of the managed organization.

According to Levinson (2010) social media is a set of free or nearly free tools and websites that allow marketers and the community to create content and meaningful conversations online. There are a number of steroids of internet that have shaped our organizations today in terms of communication, collaboration and production. Behmann (2015) confirm that “scalability of internet, advancement of wireless technology, accelerated growth of mobility, introduction of wearable devices, lower cost of sensing technology, lower cost of embedded computing, advancement of storage technology and cloud computing have stormed the organization for marketing purposes”.

Based on the observations made during this study, the researcher does not agree with the findings of this study it was hypothesized that social media risk management is expected to reduce the negative effects brought about by the social media risks. Therefore, the researcher is of the opinion that social media risk management should positively impact on the organizational performance of commercial banks in Makueni County.

#### **5.3.4. Social Media Tools and Organizational Performance**

The impact of the social media tools on the organizational performance of commercial banks was measured using the three most popular social media channels: facebook, twitter and linkedIn. The results suggested that there is a moderate, positive and a significant relationship between the use of Facebook and the organizational performance of commercial banks. There was also a moderate, positive and a significant relationship between usage of twitter and organizational performance of commercial banks in Makueni County. The study also revealed a moderate, positive and a significant relationship between the use of linkedIn and organizational performance of commercial banks. The study concluded that there is a positive and a significant

relationship between the social media tools and the organizational performance of commercial banks in Makueni County.

The findings of this study concurred with those of the previous studies reviewed. For instance, Blanchard (2011) argued that “social media creates both influence and scale in a way that traditional media cannot”. From an advantageous perspective, a fully developed social media program can, for example, protect a brand in times of crisis, alert an organization’s decision-makers to new trends in consumer interest and sentiment, influence hundreds of thousands to prefer one brand or product over another, and help tens of millions of consumers discover a company, organization, or product at a fraction of the cost of other forms of “traditional” media. Based on the observations made during this study, the researcher agrees with the findings of this study because it was hypothesized that the more user friendly and secure the social media tool is, the more it is likely to attract more customers compared to those that not. Consequently, the more the number of customers an organization can attract using a particular social media tool, the more productive it is likely to be.

## CHAPTER SIX

### 6.0. CONCLUSIONS AND RECOMMENDATIONS

#### 6.1. Introduction

This section consists of the conclusions and recommendations made based on the findings of this study.

#### 6.2. Conclusions

Since this study investigated four objectives, four major conclusions were made. The conclusion for the first objective was based on the social media engagement indicators used in this study. It was concluded that there was a strong negative and significant correlation between social media engagement and organizational performance by commercial banks in Makueni County. This suggested that an increase in social media indicators would lead to a decline or decrease in the organizational performance of commercial banks in Makueni County.

The second objective was concluded that since social media measurement was measured using the number of social media hits, social media networking and frequency of interaction and all were negatively correlated with organizational performance, it was concluded that there is a negative and a significant relationship between social media measurement and organizational performance by the commercial banks in Makueni County. These results suggested that an increase in social media measurement indicators would lead to a decrease in the organizational performance and vice versa.

The third objective was concluded that there is a negative correlation as well as a significant relationship between the social media risk management and the organizational performance of commercial banks in Makueni County. The findings indicated that an increase in social media risk management would lead to a decline in the organizational performance by the commercial banks in Makueni County.

The fourth objective was concluded that there is a positive correlation and a significant relationship between social media tools (use of facebook, twitter and linkedIn) and the organizational performance of commercial banks in Makueni County. These findings indicated that an increase in the use of the measured social media tools would lead to an increase in the

organizational performance by commercial banks in Makueni County. Other findings suggested that Facebook is most liked, most secure and most customer friendly social media tool.

### **6.3. Recommendations**

Based on the findings and the conclusions of this study, some of the recommendations which were deemed appropriate included the organizations' need to embrace the use of social media as it has suggested that it is a key player and predictor of performance in various organizations. The study also recommended that since this is an area which has not been researched a lot, researchers are encouraged to find out social media related factors influencing the organizational performance both in the urban as well as in rural areas.

### **6.4. Areas for Further Research**

The study has also recommended areas of further research by various stakeholders which include the practitioners: There is inadequate literature to explain its real impact on the performance of various organizations including the financial institutions. Therefore, the study recommends that there is need for more research to provide a better and more understanding on the actual impact of using the various social media tools on organizational performance of commercial banks in the counties and in the country at large.

To the policy makers, there is need for further research to develop more safe and secure ways of sharing information between the commercial banks and their clients to eliminate worries of sensitive information landing in the hands of harmful individuals especially in this era of fast growing digital content and interactions. This would help in designing new banking policies geared towards improving the performance of commercial banks.

To the academicians, further research is also needed to develop better and more reliable ways of measuring the influence of the various social media platforms on the performance of various organizations performing different roles other than the commercial institutions. There is a need for further research to find out how the different social media tools available can be made more user-friendly for purposes of enhancing communication and sharing of information between organizations and their beneficiaries.

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## **APPENDICES**

### **APPENDIX I: COMMERCIAL BANKS IN MAKUENI COUNTY**

1. Cooperative Bank of Kenya-Wote
2. Equity Bank-Wote
3. Equity Bank-Kibwezi
4. KCB Bank-Emali
5. KCB Bank-Kikima
6. KCB Bank-Kibwezi
7. KCB Bank-Makindu
8. KCB Bank-Mtito
9. KCB Bank-Wote
10. Sidian Bank-Emali
11. Family Bank-Wote
12. Barclays Bank –Wote
13. Cooperative Bank- Emali

Source: (CBK, 2015)

## **APPENDIX II: TRANSMITTAL LETTER**

Nkatha Kimotho  
P.O Box 424-90300  
Makueni

Dear Respondent,

### **RE: REQUEST TO COMPLETE THE ATTACHED QUESTIONNAIRE**

I am a postgraduate student at South Eastern Kenya University, pursuing Master of Business Administration degree in Strategic management. As part of the requirements of my course, I am carrying out a study on the influence of social media strategies on organization performance of commercial banks in Makueni County. I do request you to fill the questionnaires related to this study. The information provided for this study was treated with the confidentiality it deserves and will only be used purely and exclusively for academic purposes.

Thank you for your time and cooperation.

Yours faithfully

Nkatha Kimotho

## **APPENDIX III: THE QUESTIONNAIRE**

### **Instructions**

- Kindly answer the questions below by ticking appropriately and writing in the spaces provided.

### **SECTION A: General information**

1. Your sex

- a. Male ( )
- b. Female ( )

2. What is your age bracket?

- a. Below 30 years ( )
- b. 30- 34 years ( )
- c. 35 – 40 years ( )
- d. 40 – 45 years ( )
- e. Above 45 years ( )

3. What is your highest academic qualification?

- a. Certificate ( )
- b. Diploma ( )
- c. Degree ( )
- d. Masters ( )
- e. PhD ( )

4. How long have you worked as a manager in this financial institution?

- a. Below 5 years ( )
- b. 5- 10 years ( )
- c. 11 – 14 years ( )
- d. 15 – 20 years ( )
- e. Above 20 years ( )

**SECTION B: Social Media Engagement and Organizational Performance (tick appropriately)**

1. Does your institution use social media in customer relations?

- a. Yes ( )
- b. No ( )

2. Which social media Tool do your customers prefer most?

- a. Facebook ( )
- b. Twitter ( )
- c. LinkedIn ( )
- d. Whatsapp ( )
- e. Internet ( )
- f. Any other (specify).....

3. Bank's target group on social media

- a. Corporate customers ( )
- b. Business Club ( )
- c. Mass market ( )
- d. Students ( )

4. How long does it take to respond to customer queries through any social media platform?

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.....  
.....

5. The statement below relates to influence of use of social media customer engagement and performance of financial institutions. Indicate your level of agreement with the statements using 5point Likert scale where:-

**SA = Strongly agree, A = Agree, N=Neutral, D= Disagree and SD=strongly disagree.**

S/N	Statement	1	2	3	4	5
a	Social media provides users with interactive avenue with organizations.					
b	Social media facilitates customer services (customer orders and complaints).					
c	Organizations trust social media platforms than commercially driving institutions like broadcasting agencies.					
d	Social media can track customer feelings regarding a product or a service.					

6. Briefly comment on the influence of social media engagement on the performance of commercial banks in Makueni County

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**SECTION C: Social Media Measurement and Organizational Performance (tick appropriately)**

1. Do your customers use social media measurement metrics for inquiry about your brands?
  - a. Yes ( )
  - b. No ( )
2. On average, how many hits does a social media update from your organization receive in a day on any of the following social media platforms?
  - a. Facebook ( )
  - b. Twitter ( )
  - c. LinkedIn ( )
  - d. Whatsapp ( )
  - e. Internet ( )
  - f. Any other (specify).....
3. How frequent does your organization interact with customers in a day?  
.....  
.....  
.....

4. The statement below relates to measurement of social media use in the institutions. Indicate your level of agreement with the statements using 5point likert scale where **SA= strongly agree, A= Agree, N=Neutral, D= Disagree and SD=strongly disagree.**

S/N	Statement	1	2	3	4	5
a)	Metrics on social media are accounted for annually					
b)	Measurements metrics highlight no. of individuals an organization attracts to their brand					
c)	Social media measurement depends on number of views on a particular post by an organization.					

5. Briefly comment on the influence of social media measurement on the performance of commercial banks in Makueni County

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## SECTION D: Social Media Risk Management and Organizational Performance

1. Does your institution manage risks associated with social media use?
  - a. Yes ( )
  - b. No ( )
2. Which measures have you put in place to manage risk in the use of social media?
  - a. Staff training on fraud and cyber security ( )
  - b. Managerial bank reputation ( )
3. What precautions does your bank take to protect the information shared by customers on your social media platforms?  
.....  
.....  
.....

4. How frequent does your organization train its employees on the management of risks associated with the use of social media?  
.....  
.....  
.....

5. The statement below relates to use of social media in risk management and financial institutions. Indicate your level of agreement with the statements using 5 point likert scale where **SA= strongly agree, A= Agree, N=Neutral, D= Disagree and SD=strongly disagree.**

S/N	Statement	1	2	3	4	5
1.	We are able to know the identity of customers engaging on our platforms					
2.	Social media risk management helps financial institutions to retain customers					
3.	We are able to manage communication and clarify information					
4.	Use of social media risk management increases customer satisfaction					
5.	Social media risk management eases interaction between the financial institutions and customers.					

6. Briefly comment on the influence of social media risk management on the organizational performance of commercial banks in Makueni County

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## **SECTION E: Social Media Tools and Organizational Performance**

1. On a scale of 5, rate the use of the following social media tools in your organization (tick appropriately)

<b>Social Media Tools</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. Facebook					
2. Twitter					
3. LinkedIn					

2. Which of the following social media tool is considered most safe/secure by your organization?
  - a) Facebook ( )
  - b) Twitter ( )
  - c) LinkedIn ( )
3. Which one of the following social media tool is considered as the most customers friendly?
  - a) Facebook ( )
  - b) Twitter ( )
  - c) LinkedIn ( )
4. Which one of the following social media tools is most liked by your customers?
  - a) Facebook ( )
  - b) Twitter ( )
  - c) LinkedIn ( )

**The End**

**Thank you for your time and responses.**