AN ANALYSIS OF THE FACTORS AFFECTING STRATEGY
IMPLEMENTATION IN KENYA COMMERCIAL BANK

BY

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USIU – A

SPRING 2014
STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

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

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Fredrick Newa

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DEDICATION

This thesis is dedicated to my wife, Jane Wanjiru Wamwangi for her sacrifice and moral support.
ACKNOWLEDGEMENT

The completion of this project would not have been possible without the material and moral support from various people. First of all I thank the Almighty God for giving me good health, and guiding me through the entire course.

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ABSTRACT

The importance of strategy to a firm cannot be gainsaid. Strategy implementation defines the process through which a selected strategy is actualized. In the context of this study, the fact that financial institutions have strived from various stages alongside the adoption of various organizational strategies indicates that it has not been easy to achieve optimum strategy implementation. The purpose of this study was to examine the factors affecting strategy implementation in Kenya Commercial Bank. This study was guided by a number of research questions, all with regard to Kenya Commercial Bank: to what degree does an organizational process affect strategy implementation; in what ways does organizational culture affect strategy implementation; and to what extent does organizational structure affect strategy implementation?

The study employed descriptive research design targeting employees at KCB and a sample of 313 respondents. The study used primary data. The primary data was collected using questionnaires and an interview guide. Quantitative data collected was analyzed with the use of descriptive statistics using SPSS (version 20) as the tool of choice and presented through diverse measures that included percentages, means, standard deviations and frequencies. The study further employed a multivariate regression model to study the relationship between dependent and independent variables.

The study found that organizational processes, organizational culture and organisational structure influence strategy implementation to a great extent in KCB. The study established that organizational performance was linked to its strategic initiatives. The results also indicate that there is a strong alignment between employee attitudes and strategic goals and objectives. The organisation has a culture of tolerating risks and the employees are motivated.

It also indicated that processes in the organization are planned to match strategic realities and linked to people delivering results. The results also indicate that the organization turns processes into individual actions, necessary to produce great success in strategy implementation.

The study also found that the structure in place allows for employee participation in decision making and therefore allows the employees to feel part of the process of strategy
implementation. It was also illustrated that the organization has a clearly defined mission and vision statement and the power distance in the organization is not a hindrance to strategy implementation. The nature of the organizational structure enhances organizational flexibility which is critical to strategy implementation.

The various research works conducted led to several conclusions: organization processes influence strategy implementation to a great extent in Kenya commercial Bank, Kenya commercial Bank has a clearly defined mission and vision statement and the power distance in the organization is not a hindrance to strategy implementation, organizational structure affect strategy implementation in Kenya Commercial Bank, Kenya Commercial Bank structure is not bureaucratic, and the nature of Kenya Commercial Bank’s structure enhances organizational flexibility critical to strategy implementation.

Given the findings, the recommendation of the study is that commercial banks or any organizations that require to successfully execute a chosen strategy, need to deliberate on their resources, organization structure, and management support. In addition, the study recommends that any imminent studies in the area should replicate the study to other industries in order to establish the standardization of these results across all affected parties. A review study requires to be done to establish the factors that influence strategy implementation in commercial banks to contemplate and validate results found in the study.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

The importance of strategy to a firm cannot be gainsaid. Arthur, Thompson, Strickland and Gamble (2005) posits that strategy encompasses how management intends to nurture the business, how it will build a loyal clientele and out-compete its rivals, and how each functional piece of the organization will contribute to the sum total and how performance would be boosted and sustained. Effective implementation of strategy has become the aim of many organizations. Despite this, while translating their grand plans into action, unacceptably high failure rates have been reported. However, literature has documented that many previous studies in strategy have focused on formulation and that very little has been done in the area of strategy implementation. Studies in this area have focused on problems in strategy implementation (Al-Ghamdi, 1998). However the area of strategy implementation is significant to the general success or failure of an organization (Thobani, 2011).

Although many studies accept that strategies often fail not because of insufficient strategy formulation, but because of insufficient implementation, strategy implementation has attracted less research than strategy formulation. Implementation of strategy defines the process through which a chosen strategy is put into action. It involves the design and management of systems to achieve the best integration of people, structures, processes and resources in achieving organizational objectives. Yet the implementation of a strategy is not easy (Pfeffer & Salancik, 2003). Many researchers have identified factors that affect strategy implementation such as corporate ownership and commitment (Raps, 2005). It is the responsibility of the strategist to bring forth the strategy to the organization’s members in an appealing way and bring out their support. This will ensure people feel a sense of belonging with the strategy, rather than a feeling of imposition of the strategy for implementation. Such a feeling creates unwavering commitment which is essential in making strategy successful (Robert & Kaplan, 2001).
Setting the organizational climate relevant for strategy implementation is important for making strategy work (McKinley and Scherer, 2000). Organizational climate defines the features of in-house environment that facilitates co-operation, development of the individuals, level of commitment in the organization, and the efficiency of translating the purpose into results. Organizations whose strategy is implemented within a conducive environment are more effective as compared to those whose are not (Wai-Kwong, Priemn, & Cycyota, 2001).

Organizations sometimes seem to have difficulties in implementing their strategies. A number of problems in strategy implementation have been revealed by researchers. These include weak management duties in implementation, an absence of communication, a lack of commitment to the strategy, strategy misunderstanding, unaligned organizational resources and systems, poor direction and responsibility sharing, inadequate competences, competing activities, and uncontrollable environmental factors (Grundy, 1998; Heide, 2002; Beer and Eisenstat, 2000).

Strategy implementation has enticed lesser attention in strategic and organizational research than strategic planning or strategy formulation. Alexander (1991) suggests several reasons for this: strategy implementation is less glamorous compared to strategy formulation, people overlook it because of a belief that anyone can do it, people are not exactly sure what it includes and where it begins and ends. Furthermore, there are only a limited number of conceptual models of strategy implementation.

Strategy, a central management tool in any organization, is a multi-dimensional concept that various authors have defined in different ways. It is the match between an organization’s resources and skills and the environmental opportunities as well as the risks it faces and the purposes it wishes to achieve (Thompson, 1993). It is meant to provide guidance and direction for the activities of the organization. Since strategic decisions affect the way organizations react to their environment, it is vital for a firm to make strategic decisions and define strategy with regard to its function to the environment. The aim of strategy is to offer directional signals to the organization that permit it to realize its goals while, at the same time, responding to the opportunities and threats in the environment (Pearce and Robinson, 2007). Johnson and Scholes (2002), opinion that strategy as the direction and scope of an organization over the long-term, which attains advantage for the party through its configuration of resources within a varying environment, and satisfy stakeholder’s expectations.
Strategic management is, therefore, an integration of both a skill and an art. Good strategic management needs precise thought and sober judgment. Strategic management defines the formal and structured process through which an organization establishes its position of strategic leadership. Strategy development defines the multidimensional procedure that involves experience, rational analysis and intuition, and emotion. But, whether strategy formulation is formal or informal, whether strategies are deliberate or emergent, there can be doubt as to the essence of systematic analysis as a key input into the strategy process. The process of formulating strategy without analysis, principally at the level of senior management, is likely to be messy with no clear foundation for comparison and evaluation alternatives. Moreover, critical decisions become susceptible to the impulses and predilections of individual managers, wishful thinking and contemporary fads (Hrebiniak, 2006; Grundy, 1998; Beer and Eisenstat, 2000).

According to Alexander (1985), the ten most often occurring strategy implementation difficulties include underestimating the time needed for implementation and key problems surfacing initially not anticipated. In addition to these, there were other uncontrollable factors in the external environment had an adverse impact. With regard to people, the capabilities of employees involved were often not sufficient, leadership and direction and “training and instruction given to lower level employees were not adequate” (Alexander, 1985). Although the least recurrent in this study, in a number of cases the information systems used to monitor implementation were inadequate.

Kenya Commercial Bank Limited’s history dates back to July 1896, when its predecessor, the National Bank of India, opened a branch in Mombasa. This branch was opened solely to handle the business the port attracted during that time. In 1958, the National Bank of India merged with Grindlays Bank to form the National and Grindlays Bank. After independence, the Kenya’s Government acquired 60% shareholding in the new Bank in an effort to bring banking closer to the Kenyan majority. The Government acquired 100% of shareholding in the Bank in 1970. This facilitated full control of the largest commercial bank in Kenya with subsequent renaming to Kenya Commercial Bank. Savings & Loan Kenya Limited was acquired by KCB in 1972. This acquisition specialized in the provision of mortgage finance (Tschoegl, 2000).

KCB Tanzania Limited was incorporated in Tanzania, Dar es Salaam in the year 1997. KCB has opened 11 more branches in Tanzania since then. KCB extended its operations to
Southern Sudan following licensing of KCB Sudan in May, 2006. This subsidiary now has over 20 branches in Southern Sudan. KCB Bank Uganda Limited was opened in November 2007. Currently, KCB has 14 branches in Uganda. In December 2008, KCB Rwanda began its operations with one branch in its capital city, Kigali. Currently, there are 11 branches spread out in Rwanda. In the recent times, KCB opened a new Branch in Burundi; becoming the first bank in the region to be presented in all the African Great Lakes countries (Tschoegl, 2000).

1.2 Statement of the Problem

Failure in strategic management almost always happens during the implementation of the strategic plan. Okumus (2001) noted that despite the importance that strategy execution process has, more research has been carried out into strategy formulation while few have been carried out with regard to strategy implementation. Alexander observes that literature is subjugated by attention on long range planning and strategy content rather than the actual implementation of strategies, on which “little is written or researched” (Alexander, 1985). The indifference to strategy implementation can be credited to several reasons which include: greater likelihood of failures in strategies’ implementation; higher complexity in strategy implementation process; the perception that strategy implementation is less glamorous than formulation; and practical challenges in research involving middle-level managers (Alexander, 1985).

Despite the abandonment by academicians and consultants more challenges are experienced in practice of strategy implementation. In their research, Beer and Eisenstat, (2000) found that in all the companies they studied, the issue was not a poor understanding of environmental forces or inappropriate strategic intent. Without exception, they knew what they had to do; their difficulties lay in how to achieve the necessary changes. Organizations fail to successfully implement close to 70 per cent of their novel strategies (Miller, 2002). Another recent study is a bit less alarming; it says 40 per cent of the value anticipated in strategic plan is never realized (Olson, Slater, and Hult, 2005). Evidence keeps piling of how barriers to strategy implementation make it so difficult for organizations to achieve sustained success. Bridging the gap between strategy formulation and implementation has since long been experienced as challenging. Several studies have been done on the strategies that the banks have employed over time (Noble, 1999 and Bourgeois and Brodwin, 1984). However, no known study has
been done to explore the challenges encountered in strategy implementation among commercial banks in Kenya.

In this study’s context, the fact that financial institutions have struggled from various stages alongside the embracing of diverse organizational strategies indicates that it has not been easy to attain optimal strategy implementation. There is, therefore, the need to research in the same area on the factors affecting strategy implementation a reason which contributes to the researcher’s interest in conducting the study.

Local studies done on the factors affecting strategy implementation include Kiptugen’s (2003). He did a study to determine the strategic retort of KCB to a varying competitive environment. Since the study focused mainly on strategies that can be adopted in a competitive environment; the study did not cover the processes involved in strategy implementation and challenges in the implementation phase. Kamanda’s (2006) study on KCB with the key objective to determine the factors that influence its regional growth strategy did not cover the issues of strategy implementation.

This study pursued at filling the gap by analyzing the factors affecting implementation of strategic decision among commercial banks in Kenya.

1.3 Purpose of the Study

The purpose of this study was to analyze the factors affecting strategy implementation in Kenya Commercial Bank.

1.4 Research Questions

The study sought to answer the following questions:

1.4.1. To what extent does an organizational process affect strategy implementation in Kenya Commercial Bank?

1.4.2. In what ways does organizational culture affect strategy implementation in Kenya Commercial Bank?
1.4.3. To what extent does organizational structure affect strategy implementation in Kenya Commercial Bank?

1.5 Significance of the Study

1.5.1 The Banking Sector

The study’s importance is not only to Kenya Commercial Bank and its Managers but also to other managers in other Banks, financial institutions and non-financial organizations. It will help them understand the factors affecting strategy implementation and how to overcome these obstacles. It is aimed at helping different firms attain success better than others.

1.5.2 Researchers

The study will act as a source of reference material for future researchers on other related topics; it will also help other academicians who will undertake the same topic in their studies. Apart from this, it also emphasized other significant relationships that require further research; this may be in the areas of relationships between successful strategy implementation and firm’s performance.

1.6 Scope of the Study

The study focused on the factors affecting strategy implementation in Kenya commercial Bank. In this case the researcher collected the required information from Kenya Commercial Bank targeting top management, middle level management and lower level management from the Banks 5 regions in Kenya including the strategy and innovation department. The data was collected between May and August 2013.
1.7 Definition of Terms

1.7.1 Strategy

Geotz (1999) defines strategy as the direction and scope of an organization over the long-term. Drucker (2003) defines strategy as a high level plot to attain one or more goals under uncertain conditions. This study adopted the Drucker definition of strategy (Swaim, 2011).

1.7.2 Organizational Culture

Ravasi and Schultz (2006) define organizational culture as a set of shared mental assumptions which guide explanation and action in organizations through the definition of appropriate behavior for different situations. Schein (2009) states it as the behavior of humans who are a part of an organization and the connotations that the people ascribe to their actions. This study adopted the Ravasi and Schultz (2006) definition of organizational culture.

1.7.3 Organization Structure

Pugh (1990) defines organizational structure as consisting of activities such as task allocation, coordination and supervision, which are directed towards the achievement of organizational aims.

1.7.4 Organizational Performance

Organizational performance encompasses the results of an organization, as compared to its intended outputs (Pierre, 2009).

1.7.5 Process

According to Davenport and Stoddard (1994) a process is a series of related and connected procedures which, at each phase, eat up one or more resources to convert inputs into outputs.
1.8 Chapter Summary

The aim of this study was to analyze the factors affecting strategy implementation in Kenya Commercial Bank. This study was guided by a number of research questions, all with regard to Kenya Commercial Bank: to what degree does an organizational process affect strategy implementation; in what ways does organizational culture affect strategy implementation; and to what extent does organizational structure affect strategy implementation?

The literature review in the next chapter addresses relevant theories, outcomes, suggestions and workable solutions that are in place. Chapter three addresses the research organization and methodology that was utilized in this study. Chapter four presents the results and findings of this study while chapter five will comprises of the discussions, conclusions and recommendations.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

The chapter reviews literature related to the factors affecting strategy implementation. It explores the influence organizational processes, organizational culture and organizational structure. The chapter also identifies the gaps in literature in these areas of study.

2.2 Effect of Organizational Process on Strategy Implementation

According to Okumus (2001), organizational process includes operational planning, resource allocation, people, communication, control and feedback. The various processes have an impact on each other in one way or the other. For instance, the process of project initiation and operational planning of the implementation activities affect communication, the resource allocation, and the provision of training and incentives. Resource allocation refers to the process of ensuring that all necessary time, financial resources, skills and knowledge are made available. The recruitment of appropriate staff for a new strategy implementation is a crucial consideration and this relates to appropriate training of managers in this regard and the provision of incentives that relate to strategy implementation. Okumus (2001), places emphasis on the need to use clear multiple modes of communication (top-down, bottom-up, lateral, formal informal, internal, external, one time and continuous communication) to communicate the new strategy within and outside the organization. The efforts and results of the implementation are to be monitored and compared against predetermined objectives. The operational plans and communication are regarded as key to monitoring the process (Okumus, 2001).

According to Okumus (2001), strategy implementation as a process that occurs in a strategic context, while the strategic content is seen as the strategic direction of the company and believes it will assist with examination and evaluation of complex implementation cases. In this manner, Okumus (2001) agrees with Pettigrew (1987) who contends that the content, scope and the process are entangled and affect one another.
Strategic management is the act of formulating, implementing and assessing cross-functional choices that enable an organization to realize its goals. In this regard, strategic management therefore, emphasizes on interpretation of management, finance, marketing, accounting, productions, operations, research and development and computer information systems to achieve organizational success (Kotler and Keller, 2012). The strategic management process comprises of three stages. These include strategy formulation, strategy implementation, and strategy evaluation.

2.2.1 Strategy Formulation

Kruger and Mama (2012) directed that strategy formulation comprises developing a business system, recognizing an organization’s external prospects and threats, defining internal weaknesses and strengths, establishing long term goals, alongside generating alternative strategies and choosing specific strategies for pursuance. Strategic formulation includes decision making on new business to venture into, new businesses to abandon, resource allocation within a business, growth and diversification, diversification to enter regional or international markets mergers or joint ventures and avoiding hostile takeovers. To this end, Ahuja (2003) insisted that due to constraints of resources organizations must decide which alternative strategies will benefit them the most. Strategy formulation decisions commit an organization to specific products, markets, resources and technologies over an extended period of time. Strategies determine long term competitive advantage. They have major multi-functional results and lasting effects on an organization. Mostly, top managers have the best viewpoint on understanding fully the consequences of decision formulation and have the unenviable authority to commit the resources necessary for implementation (Pearce and Robinson, 2005).

Strategy implementation needs an organization to establish annual goals, formulate policies, motivate employees, and allocate resources in order to have formulated strategies executed; strategy implementation includes developing a strategy supportive culture creating an effective organizational structure, redirecting marketing efforts, preparing budgets, developing and utilizing information systems, and connecting employees compensation to respective performances. Strategy implementation frequently is referred to as the action stage of strategic management. Ahuja (2003) indicated that executing strategy implies marshaling employees alongside managers in order to put formulated strategies into action. Successful strategy
implementation requires discipline, commitment, sacrifice and tests manager’s ability to motivate employees. Interpersonal skills are critical for a successful strategy implementation. Implementation affects all employees and employers in an organization. Each segment of an organization must position themselves to answer questions such as actions to be taken to implement their part of the organization’s strategy.

2.2.2 Management of Implementation and Execution of Strategy

Arthur et al. (2005) indicated that the management of implementation and execution of strategy is an operations-oriented, make things happen activity aimed at performing core business activities in a strategy-performing manner. Converting strategic plans into actions and results further tests a manager’s ability to direct organizational change, build and reinforce company capabilities and competitive competences, build and cultivate a strategy-supportive work climate and exceed performance targets. Management action agenda for effecting and executing the chosen strategy arises from assessing the uniqueness of what the company will have to do given its particular operating practices and organizational strengths to achieve its goals with reference to financial goals and strategy (Thompson et al., 2005). Many strategic issues in organizations, while they will ultimately affect financial performance, primarily concern non-financial issues: poor market place reputation, rapid loss of staff, business lost the competitors and so on.

According to Arthur et al. (2005), each company manager has the obligation to think through the answers to what has to be done in an area to execute their piece of the strategic plan and the actions that should be taken ensure that the process is underway. The amount of internal change required depends on the strategy’s novelty, internal practices and competences deviation from what the strategy requires, and the present work climate or culture structure with regards to their support on good strategy execution. Depending on the quantity of internal alteration involved, complete implementation and adept execution of company (or important new pieces thereof) can take several months to several years.

In most scenarios, managing strategy execution process comprises the following significant principal aspects: staffing the organization with the desired skills, consciously building and consolidating strategy-supportive competencies and competitive capabilities, including the aspect of organizing the work effort (Pearce & Robinson, 2005). Assigning sufficient
resources to those activities that are critical to strategic accomplishment and guaranteeing the policies and procedures enable rather than hinder effective execution. Utilizing best practices to undertake essential business activities and pushing for continuous improvement. Organizational units have to periodically assess how implementation is being done and thoroughly track useful modifications and improvements. Installing and deploying information and operating systems that assist company personnel to partake their strategic duties in a better manner, on a daily basis.

Thompson et al. (2010) suggested that in order to achieve success in implementation of a strategy, motivation of individuals to pursue the set objectives with enthusiasm and further still, modify their duties and job conduct to better fit the requirements of successful strategy execution was important. In addition, he suggested that aligning rewards and incentives directly to the attainment of performance objectives and good strategy implementation, creating a company culture and work climate that is conducive to successful strategy execution, applying in-house leadership needed to drive implementation forward and keep improving on how strategy is being executed were all key.

2.2.3 The Process of Strategy Implementation

The nature of the process of strategy enactment needs a shift in responsibility and accountability from strategists to functional and divisional managers. Implementation glitches can arise due to the shift of responsibility, especially if strategy formulation decisions come as a surprise to middle and lower level managers. Managers and employees are often motivated by perceived self-interests rather than by organizational interests. Therefore, it is vital that functional and divisional managers be involved in strategy formulation happenings. It is also equally important that strategists are involved as much as possible in the strategy implementation activities (Ahuja, 2003).

Thompson et al. (2005) suggest that, managers and employees in an organization should contribute early and directly in strategy execution decisions. Their duty in strategy implementation should build on previous involvement in strategy formulation activities. Likewise, strategists’ personal commitment to implementation is an essential and powerful motivational force for both managers and employees. More often than not, strategists are too busy to aggressively support strategy implementation efforts, and their lack of concern can be
detrimental to organizational success. The basis for goals and strategies should be clearly understood and clearly communicated in the entire organization.

Key competitors’ achievements, products and, plans, action and performance should be apparent to all organizational members. Major external opportunities and threats should be precise and employees’ and managers’ concerns should be attended to. Top down flow of communication is essential for developing bottom up support (Kotler and Keller, 2012).

Getting a buy-in on annual objectives and goals is critical for the success of strategy implementation. Energetic involvement in establishing annual goals can lead to acceptance and commitment. These annual objective settings are essential for strategy implementation because they represent the basis for resource allocation, and the primary mechanism for evaluating managers, and are used for monitoring progress toward achieving long term objectives and also establish organizational, divisional and departmental priorities (Thompson et al., 1993).

Thompson et al. (1993) pinpoints that substantial effort and time should be dedicated to ensuring that annual objectives are considered, consistent with long-term objectives and also supportive of strategies to be implemented. Annual objectives serve as procedures for actions, directing efforts and activities to the organization members. They not only serve as a standard of performance but are an important source of employee motivation. They give incentives to managers and employees to perform. They further provide a basis for organizational design.

Clearly stated and communicated objectives are critical in all types of organizations. Annual objectives declared in terms of productivity, growth and market share by business division, customer groups, geographic area, and products or services, are common in many organizations. These annual objectives should be measurable, consistent, seasonable, challenging and clear. The reward system throughout the organization should be standard and uniform. Although clear objectives do not guarantee successful strategy implementation, they increase the likelihood that personal and organizational aims can be accomplished (Okumus, 2001).

According to Kiptugen (2003), variations in a firm’s strategic inclination do not occur automatically. On a daily basis, policies are necessary to make a strategy fruitful. Policies facilitate unravelling recurrent problems or challenges and guide the implementation of
strategy. They refer to precise methods, guidelines, rules, procedures, forms and administrative practices put up to sustain and encourage work-stated goals. Policies let both the employees and managers recognize what is expected of them thus increasing the probability that strategies will be successfully implemented fully. They offer a basis for management control, allow co-ordination across organizational units and reduce the amount of time managers spend making decisions. They also make clear what work is to be done alongside the responsible party. They support designation of decision making to appropriate managerial levels where different problems or challenges arise.

Hrebinia (2006) established that resource allocation and conflict management are also crucial activities that allow for strategy implementation. All organizations will contain a minimum of four types of resources that can be utilized to attain defined objectives: financial, physical, human and technological resources. Although effective resource allocation does not guarantee successful strategy implementation, they should be allocated according to priorities established by annual objectives to avoid departmental conflicts arising from different expectations and perceptions amongst managers and employees (Hitt, Ireland and Hoskisson, 2001).

Many organizations struggle to produce their financial performance forecasts in their long-range plans. The processes they use to develop plans and monitor performances make it difficult to discern whether the strategy implementation to performance gap stems from poor planning, poor execution, both or neither (Hrebinia, 2006).

2.3 Effect of Organizational Culture on Strategy Implementation

One of the chief challenges in strategy implementation is perceived to be more cultural and behavioral in nature, including the impact of deprived integration of happenings and reduced ownership feelings and commitment (Aaltonen and Ikávalko, 2002). Corboy and O'Corribui (1999) identify serious iniquities of strategy implementation. These include a lack or poor understanding of strategy implementation, lack of full appreciation of the strategy by customers and staff, non-acknowledgement of difficulties and obstacles, and ignoring the daily business imperatives. Marginson, (2002) contends that strategy implementation progresses either from a process of endearing group commitment through a coalitional form of
decision-making, or as a result of comprehensive coalitional participation in implementation staff through a robust corporate culture.

Organizational culture refers to the leadership style of managers. This is with regard to their time-spending, their focus, questions towards their employees, their decision-making; and organizational culture. Leadership also entails their dominant values and beliefs, the personal and organization norms, and conscious and unconscious symbolic acts which may include dress codes, job titles, and informal meetings with employees (Adkins & Caldwell, 2004).

In the Collaborative Model of implementation strategy, organizations have both strong cultures and inherent traditions. The challenge of successful strategy implementation results from lack of cultivation of strong cultural values that are essential in meeting the changing organizational needs. The distinction between “thinkers” and “doers” begins to blur but does not necessarily disappear (Kotter and Heskett, 1992).

Within organization environments that adopt the cultural model which stresses a lower level employee contribution in both strategy formulation and implementation, there is separation of “thinkers” and “doers”. It pursues to implement strategy through the infusion of corporate culture throughout the organization. The cultural model opposes and challenges the rudimentary objectives from the economic perspective of a firm (Lankford & Parsa, 1999). A “clan-like” organization is expected to triumph where a strong culture leads to employees aligning their individual objectives and behaviors with those of their respective firms. However, a high level of organizational slack is needed to impart and uphold a cultural model. This model has several precincts which include its assumption of well-informed and intelligent participants, drifting and loss of focus by firms with this type of model, the high cost of change in culture, increased homogeneity that could lead to a loss of diversity, and creativity limitations (Lankford & Parsa, 1999).

Organizational culture includes the shared beliefs, norms and values within an organization. It sets the foundation for strategy. For a strategy within an organization to develop and be implemented successfully, it must fully align with the organizational culture. Thus, initiatives and goals must be established within an organization to support and establish an organizational culture that embraces the organization’s strategy over time (Sadri and Lees, 2001). The relationship between culture and strategy has been well explored in literature. A study found a strong association between corporate strategy and culture, thus concluding that
organizations with prospectors’ strategy tend to have developmental culture, while those with defensive strategy tend to have hierarchical culture (Sadri and Lees, 2001).

According to Arthur et al. (2005), the culture that exists within an organization cannot be separated from the behavior and styles of the leaders of the organization. The manner in which they lead will directly impact on the organization’s culture and teamwork. People relate to and imitate the behavior they observe in leaders, which makes the influence of leadership on culture all the more important. An effective and robust culture is a critical ingredient in ensuring the increase of bottom results for any organization. The relationship between an organizations culture and performance can be attributed to the fact that culture usually controls the way in which individual members make decisions, interpret and manage the organization’s environment, use information, and how they behave. An understanding and evaluation of the organization’s culture could bring out the difference between success and failure in a business environment. The challenge for an organization and its leaders, therefore, is to be able to identify, create, and sustain the type of culture that is conducive to achieve desired results.

The implementation of a new strategy begins with comprehenion of organizational culture and concludes with a change in this culture to facilitate and uphold the strategy (Lund, 2003). Culture allows the adaptive behavior by the organization necessary for strategy implementation (Mehta and Krishnan, 2004). The cultural analysis allows us to identify the subgroup dynamics. Through this, it is possible to identify the strategy-critical elements that require to be dealt with for a successful implementation. Crittendens (2008) posits that a strategy cannot be successfully implemented without understanding the culture of the organization, since the culture of the organization comprises the main opposition to implementation. With a few slight exclusions, organizational change could translate to cultural change (Heracleous, 2000).

The pervasiveness of an organization’s culture necessitates that management identify underlying dimensions of their corporate culture and its corresponding impact on employee-related variables that include cohesion, commitment, satisfaction, strategy implementation, performance, to mention a few (Lund, 2003). Setting up organizational climate that is applicable to strategy implementation is significant for resulting to a working strategy (McKinley and Scherer, 2000). Organizational climate defines the characteristics of internal
environment that facilitate the co-operation, development of the persons, commitment level, dedication of personnel in the organization, and the efficiency of translating the purpose into results. Organizations whose strategy is implemented with conducive climate are more effective than those that are not. (Wai-Kwong et al., 2001).

Strong cultures encourage successful strategy implementation. On the contrary, weak cultures are a stumbling block to successful strategy implementation (Buul, 2010). Mehta and Krishnan (2004) argue that strong culture support shared belief in norms, practices and other virtues within the organization that help strengthen everyone to partake their jobs to promote successful strategy implementation. In weak cultures, employees have little or no pride in ownership of work. It is sloppy and there are very few values tempting people to form political groups within the organization. Such cultures provide little or no assistance to implement strategy.

Research indicates that organizational culture, specifically the extent that is aligned or not aligned with strategy, is the single most significant factor in determining the success of strategy implementation aligned to set objectives (Marks, 1999; Kotter and Heskett, 1992; Lee and Yu, 2004). The link between organizational culture and achieving sustained high performance has been proven. Culture-strategy fit evaluations and culture alignment initiatives are essential works that leaders collectively and individually have an obligation to undertake to ‘lay the tracks’ for strategic priorities to roll-out on.

When culture aligns to strategy implementation, an organization is able to operate more efficiently in the global marketplace. Culture facilitates organizational leaders to work both individually and as teams to foster strategic initiatives within an organization. These may include building new business partnerships and re-establishing old ones to endure the deliverance of the best possible products and services to the global market (Collis, Montgomery, & Invernizzi, 2004).

Furthermore, one of the most striking characteristics of high performance organizations is the level of harmony between business strategy and organization culture that they manage to achieve and sustain over time. Part of cultural alignment and strategy implementation includes process implementation. Processes in this scenario include the utilization of technology to facilitate goal accomplishment and the results a company is looking for when working with
customers to satisfy their needs. While most of the time the hard problems and needs of an organization are met, the culture are neglected. At this point is where processes come into place and strategy implementation gradually comes into existence to uphold and maintain organizational culture and strategies (Kaplan & Norton, 2005).

Geiger, Ritchie, Marlen and Dan (2006) concluded that goals can come into alignment when the organizational culture strives to focus on productivity and getting the organization’s primary missions achieved. This may include, but not limited to, timely delivering products or services to customers, shipping out more products than the organization’s chief competitor or any other relevant goal. Karami (2005) posits that such will create a domino effect in the organization that ensures that all work performed by each individual in the company and work group focuses on performance and on the strategic importance of the company. This allows culture to align with strategy implementation at the most basic level. For this level of unification to actualize, goal setting must align and be supported by existing systems, procedures, policies, and processes within the organization, thereby helping to accomplish strategy implementation and continuing the organization’s cultural integrity. (Collis, Montgomery, & Invernizzi, 2004).

By creating focal points for decision making that are widely shared across a firm, organizational culture narrows the choices available to individuals, leading to commonly accepted decisions without extensive communication. The development of focal points through a shared organizational culture is especially valuable in a non-routine decision context (Kreps & Scheinkman, 1983). When employees face an unusual and challenging customer problem, the implicit rule for many organizations may be that they should go out of their way to help the customers.

If customer preservation is a crucial element of an organization competitive advantage and it has established a culture that maintains stories and rules of thumb that focus on quality customer service, then the culture supports the strategy and will by all chance, improve its execution. On the converse, if customer retention is part of the strategy but the organization culture is not customer focused, then the strategy and culture are not synchronized and strategy execution will be less effective (Walker, 2009)
2.3.1 Strong and Weak Cultures

According to House, (2004), organizations differ in their cultures and cultures differ in their relative strength. Stronger cultures are more enduring and create greater consistency in the behavior of employees. Weaker cultures, on the other hand, are more fragile and are subject to disintegration and abuse of common organizational behavior (House, 2004).

Strong culture is produced by observing specific processes in developing consistent activity systems (Denning, 2011). As managers try to build the capabilities that underlie effective value and cost drivers, the culture develops in response to feedback from the market. Given the frequent and severe restrictions markets can impart on an organization to execute effectively, a strong culture is more likely to emerge in an organization that is performing at an increasingly high level.

Research has shown that organizations with strong cultures incline towards high economic performance over time, especially in markets that are highly competitive, where constraints on organization behavior are greater (Meldrum, and Atkinson, 2008). Equally important is the effect of culture strength on performance variability. In a firm with strong culture, employees are likely to conform more consistently to well understood rules of behavior. Higher conformance leads to less deviation in performance leading to increased belief in the organization by both customers and suppliers. More consistent performance also raises the credibility of the firm in the eyes of its competitors (House, 2004).

2.3.2 Culture is Learned

As a firm’s culture delivers a set of pivotal points for decision making, it also produces models for effective questioning and experimentation (DeFeo & Janssen, 2001). Without inquiry, there is little or no initiative for improving strategy execution. When managers explore open-ended issues in groups, they are in fact learning. Without experimentation, managers have little direction for effective change. Organizational learning is, therefore, essential for adaptation to shifting market conditions. Learning within a firm is typically guided by reputable routines and subject to strong path dependencies, as existing resources and capabilities provide the frame work for future innovation. Within these restraints,
managers set performance targets that direct the organization’s pattern of experimentation (Walker, 2009).

According to Walker (2009), nations have exclusive cultural traits that are determined by their geographical positions, climates, religions, languages, martial history and orientation, political systems, arts, family and social traditions. These factors significantly affect the opportunities for growth and profitability of indigenous firms and foreign entrants alike.

Differences in consumer tastes across countries/borders are frequently attributed to cultural differences rooted in a complex of traditions regarding how goods and services are consumed or used. Examples of these differences extend across a spectrum of markets ranging from food and clothing products to Medicare, entertainment and transportation. Besides its contribution to national differences in buying habits, culture has a powerful influence on the competitive strength of organizations across industrial sector (Walker, 2009). Some nations have developed orientation towards work that differentiates their quality or efficiency from work in other countries. Whether these differences are due to social, cognitive, effective or physical factors is never completely clear.

2.3.3 Managerial Styles and their Impact on the Organizations Culture.

Building a strong culture and entrenching work place values has the potential to unleash a lot of movement and energy since it creates a framework for people to work within, empowers them yet defines expectations (Galpin, 2007). Managers should evaluate their current approach to management and ensure that their managerial actions and decisions are representative of the organization’s culture (Hrebiniak, 2006). For example, if an organization values ‘zero defects’ and efficiency, it would be counter-productive to apply a management style in which errors in the work environment are tolerated and not immediately addressed. Similarly, if the organization values creativity, flexibility and openness, it would be counter-productive to apply a managerial style in which individual staff members have no scope to think for themselves and are required to adhere to rigid control procedures (Hrebiniak, 2006). Members of an organization may not know or be able to recognize the type of culture an organization may
permeate. Therefore, there exists a gap in identifying a technique to use to perform this evaluation.

2.4 Effect of Organizational Structure on Strategy Implementation

Most companies are configured in terms of four basic elements of organizational culture. These are namely; span of control, centralization, formalization and departmentalization. The most necessary elements to describe the shape of an organization are its breadth and depth (Colombo and Delmastro 2002). The depth defines the number of hierarchical layers or management levels that lay between the top management and operational employees. The breadth could be measured by the control span, that is, the number of a supervisor’s direct reports or subordinates. The span of control can be calculated at each hierarchical layer, but it can also be averaged across the levels of an organization. Obviously, there exists an inverse affiliation between depth and breadth, given to an organization’s size.

2.4.1 Span of Control

This is the number of people directly reporting to the next level in a hierarchy (Hambrick, and Cannella, 2002). A narrow span of control exists when very few people directly report to the manager. On the other hand, a wide span exists when a manager has many direct reports. Hambrick and Cannella, (2002), strongly recommended a relatively narrow span of control typically less than 20 employees per supervisor and 6 supervisors per every manager. They championed formal hierarchy as the primary coordinating mechanism, so they believed that supervisors should closely monitor and coach employees. The views are similar to most modern organizations which champion not more than 10 direct reports as the optimal span of control. These prescriptions are based on the belief that managers cannot monitor and control more subordinates closely enough. This belief though is not true for manufacturing firms which currently have an average of 40 production employees per supervisor (Hrebiniaik, 2006).

According to Hrebiniaik (2006), the best performing manufacturing operations rely on self-directed teams; therefore, direct supervision is supplemented by other coordinating mechanisms. Self-directed teams coordinate mainly through informal communication and specialized knowledge. Another factor that influences the best span of control is whether
employees perform routine tasks. A much wider span of control is possible when employees perform routine tasks because there is less recurrent need for direction or advice from supervisors. A narrow span of control is essential when employees perform dedicated or complex tasks because they tend to want more supervisory decisions and coaching (Johnson and Scholes, 2002). The number of layers in the organizational hierarchy also influences span of control. An organization must strive to get the balance between flat and tall structures right.

John and Meier, (2001) indicated that tall structures have the advantage of direct supervision working as a coordinating mechanism. On the flipside, John and Meier, (2001) indicated that they have higher overheads and relay information from external forces very slowly due to hierarchy. Although many organizations enjoy reduced costs and more empowered employees when they reduce the layers in their hierarchy, some experts warn that there are also negative long-term consequences of cutting out too much of the middle management. These include undermining necessary managerial functions, increasing workload and stress among management and restricting managerial career development. Critics of delayering argue that all companies need managers to guide work activities, coach subordinates and manage company growth (Rajan and Wulf 2006).

Delayering is the decreasing of the number of management levels in an organization, that is, the flattening of an organization’s hierarchy. However, it should not be confused with other related concepts of corporate restructuring, such as downsizing or decentralization (Littler, Wiesner and Dunford 2003; Rajan and Wulf 2006). Downsizing basically means workforce reduction. If certain management levels are targeted, this can lead to delayering. Most delayering programs include downsizing (Littler and Innes 2004; Littler, Wiesner and Dunford 2003). On the other hand, larger firms have discovered the skill to increase the number of hierarchical layers while downsizing (Wang 2007). Decentralization means the delegation of decision-making authority to lower management levels. If decision power of wiped-out managerial positions is relocated down the hierarchy, delayering would indeed imply more decentralization (Rajan and Wulf 2006).

According to Littler, Wiesner and Dunford (2003), managers are needed to make quick decisions and represent a source of appeal over conflicts. Tall structures also ensure that
delayering increases the number of direct reports per manager and hence significantly increases management workload and corresponding levels of stress.

According to Rajan and Wulf (2006), managers partly reduce the workload by having to delegate. However, this role adjustment in itself is stressful (same responsibility but less authority or control) and many organizations increase the span of control beyond the point at which many managers are capable of coaching or leading their direct reports. Delayering also results in fewer managerial roles so companies have less room or opportunity to develop managerial skills. Promotions are also riskier because they involve a larger jump in responsibility in flatter as compared to taller hierarchies (Littler and Innes 2004). Furthermore, Wang (2007) postulates that having fewer promotion opportunities means that managers experience more career plateauing that reduces their motivation and loyalty. Chopping back managerial career structures also sends a signal that managers are no longer valued. This can have an adverse effect on morale, productivity and performance.

### 2.4.2 Centralization and Decentralization

According to Biam (2006) centralization and decentralization are a second element to consider when designing an organizational structure. Centralization defines the formal decision-making authority that is held by a small group of people, typically those at the helm of the organizational hierarchy. Most organization begin with centralized structures as the founder makes the most decisions and tries to direct the business towards his or her business. As organizations grow, however, they diversify and their environments become more complex. Senior executives are not able to process all the decisions that significantly influence the business. Consequently, larger organizations typically decentralize meaning that they disperse decision authority and power throughout the organization (Bray, 1991).
2.4.3 Formalization

Carl and Kaplan (1998) described formalization as the degree to which an organization standardize behavior through rules, procedures, training and related mechanism. Formalization therefore checks how standardized an organization’s jobs are and the extent to which employee behavior is guide by rules and procedures. In highly formalized organizations, there are explicit job descriptions, many organizational rules, and precisely defined procedures that cover work processes. Carl and Kaplan (1998) indicated therefore that employees have little discretion over what’s done, when it is done, and how it’s done. However where formalization is low, employees have more discretion in how they do their work. Companies become more formalized as they increasingly rely on standardization to coordinate work. For example, fast food chains have a high degree of formalization due to their reliance on standardization of work processes as a coordinating mechanism. Employees have precisely defined roles, detailing expectations of service TAT’s.

All organizations tend to become more formalized because work activities become routine, making it easier for them to document these activities into standards. Larger companies also tend to have more formalization because direct supervision and informal communication among employees do not operate as easily when large numbers of people are involved. External influences, such as government safety legislation and strict accounting rules also encourage formalization (Glinow, 2010). Formalization may increase efficiency and compliance but it can also create problems. Too many rules and procedures reduce organizational flexibility making employees follow prescribed behaviors even when situations clearly call for customized responses. High levels of formalization tend to undermine learning and creativity. Some of these work rules lead to a decline in efficiency, job dissatisfaction and work stress if they are followed to the letter. Procedures have been known to take a life of their own in some organizations’ and become the focus of attention rather than the ultimate objectives of producing a product or service for the benefit of customers or stakeholders (Bourne, 2000).

2.4.4 Departmentalization

Pham (2009) indicated that when most people discuss organizational structure they think of organizational charts. The organizational chart signifies the fourth element in organizational, a
technique referred to as departmentalization. According to Pham (2009), departmentalization specifies how employees and their activities are grouped together. It is a fundamental strategy for coordinating organizational activities because it influences organizational behavior. It establishes the chain of command and frames the membership of formal work teams and typically determines which positions and units must share resources. It therefore establishes interdependencies among employees and subunits.

According to Francois, Peyrin and Touboul, (2003), departmentalization also emphasizes on people around common mental models or ways of thinking. These include serving clients, product development, or supporting a particular skillset. This focus is anchored around the common budgets and measures of performance assigned to employees within each departmental unit. It therefore encourages coordination through informal communication among people and subunits. With common supervision and resources members within each configuration typically work close to each other so they can use frequent and informal interaction to get work done.

Pham (2009) indicated that organizational charts take different shapes and forms but the most common types of departmentalization are; simple, functional, divisional, team-based, matrix and network. Most companies begin with simple structures. They employ only a few people and typically offer one distinct product or service. There is minimal hierarchy and usually employees report directly to the owner. Growing organizations usually introduce a functional structure which organizes employees around a specific knowledge or other resources. Divisional structures group employees around geographic areas, outputs (products or services) or clients. The team based structure is built around self-directed teams that complete an entire piece of work like projects and they are usually organic. There is a wide span of control because these teams operate with minimal supervision. The matrix structure is an organizational structure that overlays two structures such as (a geographical divisional and a functional structure) in order to leverage the benefits of both. It usually makes very good use of resources and expertise making it also ideal for projects. When properly managed, there is the improvement of communication, project flexibility and innovation compared to purely functional or divisional designs (Potter, Morgan and Thomson, 2004). The network structure is an alliance of several organizations for the purpose of creating a product or serving a client.
One of the main sources behind a network structure is the recognition that an organization has only a few competencies.

According to Wang (2007), the choice of structure is dependent on organizational size. Larger organizations should have different structures from smaller organizations. As the number of employees’ increases, job specialization increases due to a greater division of labor. Therefore larger firms make greater use of standardization to coordinate work activities hence creating an administrative hierarchy and greater formalization. Technology is also another factor to consider when designing an organizational structure. Technology refers to the mechanisms or processes by which an organization turns out its product or service. It may be challenging to define the best organizational structure for a firm since this depends on diverse variables including; the external environment, size, technology, and strategy. An optimal structure may depend on whether the environment is dynamic or stable, simple or complex, diverse or integrated, and hostile or munificent (John and Meier, 2001).

2.5 Chapter Summary

This chapter has reviewed literature on the extent to which organizational processes, culture and structure affect strategy implementation in the banking sector. It reviewed relevant theories, outcomes, suggestions and workable solutions that seek to address strategy implementation in the banking sector. Chapter three addresses the research organization and methodology that was utilized in this study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research design and the methodology. This will be followed by the description of population and sample design. Thereafter sample size, data collection method as well as research procedures will be provided. The last sub section provides the procedure applied in analyzing data. It discusses aspects such as research design, study population or target population, sample size, sampling techniques, data collection instruments, data collection procedure and introduction to data analysis procedures, limitation of the study and ethical issues. Finally, references, appendices, the development of time, plan and the budget.

3.2 Research Design

According to Saunders, Lewis and Thornhill, (2009), a research design is defined as an overall plan for research undertaking. For the purposes of this study, the researcher employed descriptive research design. A descriptive study is concerned with determining the frequency with which something occurs or the relationship between variables (Bryman and Bell, 2003). This design was appropriate for this study since the researcher intended to establish whether the variables; organizational structure, culture and processes affect the implementation of strategy. The dependent variable for this study was strategy implementation while the independent variables were organizational structure, organizational culture and organizational processes.

3.3 Population and Sampling Design

3.3.1 Population

Target population in the study defines the specific population from which information is aimed to be collected. A population is a well-defined or set of people, services, elements, and events, group of things or households that are being investigated (Ngechu, 2004). The target population for the study was the employees at KCB banks in Kenya. The population was categorized as illustrated below. According to the Human resources department at KCB there were 3126 employees working for the organization.
Table 3.1 Population Distribution

<table>
<thead>
<tr>
<th>Department</th>
<th>No of Staff</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Region</td>
<td>617</td>
<td>19.7</td>
</tr>
<tr>
<td>Coast Region</td>
<td>542</td>
<td>17.3</td>
</tr>
<tr>
<td>Great Rift Region</td>
<td>569</td>
<td>18.2</td>
</tr>
<tr>
<td>Western Region</td>
<td>513</td>
<td>16.4</td>
</tr>
<tr>
<td>Nairobi Region</td>
<td>885</td>
<td>28.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3126</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: KCB (2013)

3.3.2 Sampling Design

3.3.2.1 Sampling Frame
The sampling frame was drawn from professionals specifically from KCB environment. This was to facilitate the availability of knowledge and data that was key in the analysis of the various factors that were being studied in relation to the project. To this regard, the sample frame covered employees from Central Region, Coast Region, Great Rift Region, Western Region, and Nairobi region. The highest percentage was drawn from Nairobi region, while the least sample was drawn from Western Region.

3.3.2.2 Sampling Technique
Ngechu (2004) underscores the importance of selecting a representative sample. Stratified proportionate random sampling technique was used to select the sample. Stratified proportionate random sampling technique produce estimates of overall population parameters with more accuracy, ensuring a more representative sample is derived from a relatively homogeneous population. Stratification aims to reduce standard error by providing some control over variance (Deming, 1990).
3.3.2.3 Sample Size

The study grouped the population into five (5) strata based on the three regions that KCB operates in Kenya, that is, Nairobi region, Coast region, Central region, Great Rift region and Western region. From each stratum the study used simple random sampling to select 10% of the total population in the region as shown on the table below to come up with a total sample of 313 respondents. According to Cooper and Schindler (2003), random sampling frequently minimizes the sampling error in the population. This in turn increases the precision of any estimation methods used. Statistically, in order for generalization to take place, a sample of at least 30 must exist (Cooper and Schindler, 2003). Moreover, larger sample minimize errors. Kotler et al. (2001) argues that if well chosen, samples of about 10% of a population can often give good reliability.

Table 3.2: Sample Size

<table>
<thead>
<tr>
<th>Department</th>
<th>No of Staff</th>
<th>Sampling ratio</th>
<th>Sample size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central region</td>
<td>617</td>
<td>0.1</td>
<td>62</td>
<td>19.7</td>
</tr>
<tr>
<td>Coast</td>
<td>542</td>
<td>0.1</td>
<td>54</td>
<td>17.3</td>
</tr>
<tr>
<td>Great Rift region</td>
<td>569</td>
<td>0.1</td>
<td>57</td>
<td>18.2</td>
</tr>
<tr>
<td>Western Region</td>
<td>513</td>
<td>0.1</td>
<td>51</td>
<td>16.4</td>
</tr>
<tr>
<td>Nairobi Region</td>
<td>885</td>
<td>0.1</td>
<td>89</td>
<td>28.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3126</strong></td>
<td><strong>0.1</strong></td>
<td><strong>313</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

3.4 Data Collection Methods

For the researcher to achieve the objective of this study the researcher used both secondary and primary data. Primary data was both quantitative and qualitative. The primary data used was collected using questionnaires and an interview guide. An interview guide was used to collect information from the strategy and innovation department. Self-administered questionnaires were used to collect information from the employees at KCB. Self-administered questionnaires offer researchers the potential to reach a large number of potential
respondents in a variety of locations (Cooper and Schindler, 2003). The questionnaires had four sections; one that collected demographic information and the others the factors that affected strategy implementation. The questions had variables that were measured in both interval and nominal scales. For interval measures, a 5-point Likert-scale (1 – “strongly agree” to 5 – “strongly disagree”) was used to measure respondents’ agreement with the concepts under investigation. Other researchers (Irungu, 2008 and Waweru, 2008) used five joint likert scales to conduct studies measuring firm performance like the proposed study. The study mostly measured the degree of agreement or disagreement in various areas of interest on strategy implementation. Majority of the questions were close ended. At the end of each section, respondents were asked an open-ended question to voice their opinions or suggestions.

3.5 Research Procedures

The researcher carried out a pilot study to pretest the reliability and validity of the questionnaire. This was done on the last week of June. To establish the validity of the research instrument the researcher sought opinions of experts in the field of study especially the researcher’s supervisor. This facilitated the necessary revision and modification of the research instrument thereby enhancing validity.

The researcher selected a pilot group of 10 individuals from the target population to test the reliability of the research instrument including the wording, structure and sequence of the questions. The respondents were conveniently selected since statistical conditions were not necessary in the pilot study (Cooper and Schindler, 2003). The purpose was to refine the questionnaire so that respondents in the major study have no problem in answering the questions. Reliability estimate was measured using Cronbach Alpha coefficient (α). Nunnally (1978) recommends that instruments used in research should have reliability of about 0.70 and above. If the instrument has a reliability of 0.7 and above it indicates that the instrument is reliable and therefore would need no amendments before administering.

The researcher emailed the questionnaire to respondents on the first week of July. To ensure quality control, the researcher sent an email reminder to any late respondents by the end of the last week of July. Thereafter, the researcher continued reminding respondents on a daily basis. The researcher also sent a letter to the Human Resources Manager at the KCB request permission to administer questionnaires in order to facilitate data collection.
3.6 Data Analysis Methods

Prior to the response processing, the completed questionnaires were edited to ensure completeness and consistency. Quantitative data collected was analyzed by the use of descriptive statistics using SPSS. The data was presented through percentages, means, standard deviations and frequencies. The information was displayed by use of bar charts, graphs and pie charts and in prose-form. This was done by tallying up responses, computing percentages of variations in response as well as describing and interpreting the data in line with the study objectives and assumptions through use of statistical package for social sciences (SPSS V. 20). Mugenda and Mugenda (1999), explains that SPSS is a comprehensive, integrated collection of computer programme for managing, analyzing and displaying data. Content analysis was used to analyze qualitative data nature or aspect of the data collected from the open-ended questions.

The researcher further employed a multivariate regression model to study the relationship between organization processes, organizational culture and organizational structure and strategy implementation. The research deemed regression method to be useful for its ability to test the nature of influence of independent variables on a dependent variable. Therefore, the researcher used the linear regression analysis to analyze the data.

3.7 Chapter Summary

This study was a descriptive research design. The target population for the study was employees at KCB, besides self administered questionnaires, a sample of managers from the Strategy and Innovation Department were sampled using purposive sampling technique. Both primary and secondary data was collected. While the secondary data was collected using journals, publications among other sources, primary data was collected using a self administered questionnaires for the operations manager and an interview giude for the regional managers. Prior to data collection, a pilot study was carried out to enhance reliability and validity of the questionnaire. While the interviews for the Strategy and Innovation department were conducted on a one on one basis, questionnaires were emailed to the respondents. Quantitative data collected was analyzed by the use of descriptive statistics using SPSS. Qualitative data was analyzed using content analysis. Further, regression analysis was used to
test the relationship between organization processes, organizational culture and organizational structure and strategy implementation.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents results on analysis of the factors affecting strategy implementation in Kenya Commercial Bank. The study therefore sought to establish the extent organizational process, organizational culture and organizational structure affect strategy implementation in Kenya Commercial Bank. The study targeted employees in KCB, Kenya derived from Central region, Coast region, Great Rift region, Western Region and Nairobi Region and the Strategy and Innovation department.

4.1.1 Response Rate

The study through the questionnaire and the interview guide targeted 313 respondents. While the questionnaires targeted the employee in the bank, interview guides were used to collect data from the Strategy and Innovation department. Out of the 313 anticipated respondents to the study, the study received 276 respondents. This made a response rate of 88.2%. Table 4.1 below illustrates the response rate. According to Cooper (1999) a response rate between 30 to 80 per cent of the total sample size can be generalized to present the opinion of the entire population. Therefore, a response rate of 88.2% was adequate for this study’s purpose.

Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>None Response</td>
<td>37</td>
<td>12.8</td>
</tr>
<tr>
<td>Response</td>
<td>276</td>
<td>88.2</td>
</tr>
<tr>
<td>Total</td>
<td>313</td>
<td>100</td>
</tr>
</tbody>
</table>

4.1.2 Reliability of the Findings

The pilot study involved 10 respondents. Cronbach's Alpha is a measure of internal consistency, that is, how closely related sets of items are as a group. A construct composite reliability co-efficient (Cronbach alpha) of 0.6 or above, for all the constructs, is considered as always adequate. The acceptable reliability coefficient is 0.6 and above (Nunnaly, 1978), if
the Cronbach alpha is below 0.6 the reliability of the questionnaire is considered too low and thus the research tool should be amended.

The findings of the pilot test showed that ‘organisational culture’ scale had a Cronbach’s reliability alpha of 0.841, ‘organisational process’ scale had an Alpha value of 0.797 and ‘organisational structure’ scale had a reliability value of 0.788. This implies that the pilot test showed that the scales measuring the objectives had a very high reliability. This therefore indicated that the research tool was sufficiently reliable and needed no amendment.

Table 4.2: Cronbach's Alpha

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Cronbach's Alpha</th>
<th>No. of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational process</td>
<td>.797</td>
<td>8</td>
</tr>
<tr>
<td>Organizational culture</td>
<td>.841</td>
<td>4</td>
</tr>
<tr>
<td>Organizational structure</td>
<td>.788</td>
<td>9</td>
</tr>
</tbody>
</table>

4.2 General Information

4.2.1 Gender of the Respondents

On the gender of the respondents, the study established that the 53.3% of respondents were male while female were 46.7%. It depicts therefore that KCB employs both genders equally.

Table 4.3: Gender of the respondents

<table>
<thead>
<tr>
<th></th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Male</td>
<td>147</td>
</tr>
<tr>
<td>Female</td>
<td>129</td>
</tr>
<tr>
<td>Total</td>
<td>276</td>
</tr>
</tbody>
</table>
4.2.2 Age of the Respondents

Most of the respondents were aged between 31 and 35 years as indicated by a percentage of 35.9. It is also indicated that 29.7% were between 26 and 30 years while 19.9% were between 36 and 40 years. Further, the figure above shows that 5.1% and 9.4% were aged between 21 and 25 years and above 41 years respectively. This indicates that majority of the respondents were aged more than 30 years.

Figure 4.1: Age Group of the Respondents

4.2.3 Level of Education of the Respondents

The study further sought to establish the respondents’ highest level of education qualification. Figure 4.2 indicates that majority of the respondents were degree holders, 18% had diplomas, while 13% and 12% were postgraduate and certificate holders respectively. This shows that KCB has a staff fraternity with high education qualification and this could imply that they are knowledgeable on the factors that influence strategic implementation in the bank and therefore are a useful resource to this study.
4.2.4 Working Duration in the Organization

From table 4.6, most of the respondents, 35.5% indicated that they had worked in the organization for a period between of 5 to 10 years, 28.6% said that they had worked for a period between 11 and 15 years and 17% indicated that they had worked in the bank for less than 5 years. Further, the table 4.4 above indicates that 12.7% and 6.2% had been in the bank for a period between 15 and 20 years and more than 20 years respectively.

Table 4.4: Working Duration in the Organization

<table>
<thead>
<tr>
<th></th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Less than 5 years</td>
<td>47</td>
</tr>
<tr>
<td>5 to 10 years</td>
<td>98</td>
</tr>
<tr>
<td>11 to 15 years</td>
<td>79</td>
</tr>
<tr>
<td>15 to 20 years</td>
<td>35</td>
</tr>
<tr>
<td>Above 20 years</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td>276</td>
</tr>
</tbody>
</table>
4.3 Factors Affecting Strategy Implementation

This section presents result on analysis of factors affecting strategy implementation in KCB. The study focused on organization process, organization culture and organization structure.

4.3.1 Organizational Processes

4.3.1.1 The Extent that Organizational Processes Influence Strategy Implementation

On the extent to which organizational processes influence strategy implementation, majority of the respondents, (56.5%) indicated that organizational processes influence strategy implementation to a great extent while 20.7% were of the opinion that organizational processes influence strategy implementation to a moderate extent. further, 16.3% indicated that organizational processes influence strategy implementation to a very great extent, 4.3% and 2.2% to a little extent and to no extent respectively. from the results above, it is evident that organizational processes influence strategy implementation to a great extent.

![Figure 4.3: Extent organizational processes influence strategy implementation](image)
4.4. Organizational Processes and Strategy Implementation

The study aimed at establishing employee’s level of agreement with above statements regarding organization processes and strategy implementation. The majority of the respondents strongly agreed that their organization links identified performance factors with strategic initiatives and projects designed to develop and optimize departmental and individual activities as shown by a mean score of 4.3, that the processes are aligned to new strategic realities as shown by a mean score of 4.3 and that processes in their organization are planned to match requirements for strategy to be implemented as shown by a mean score of 4.3.

Further, the respondents were in agreement with the statement that the management constructs organizational processes and capabilities necessary to ensure successful strategy implementation through people delivering results as shown by a mean score of 4.2, that the whole process of negotiating and deciding on the objectives and strategies of each organizational unit are well organized as shown by a mean score of 4.2, that when the organization processes is flexible it impacts positively on strategy implementation as shown by a mean score of 4.1 and that changes in processes do not have to be authorized at higher level as shown by a mean score of 4.0. The respondents also were in agreement with the statements that the organization employs motivational leadership aimed at achieving sustained performance through personal growth, values-based leadership and planning that recognizes human dynamics as shown by a mean score of 4.0, that junior managers are involved in strategy implementation in this organization as shown by a mean score of 3.9, that employees are well motivated they turn processes into individual actions, necessary to produce great success in strategy implementation as shown by a mean score of 3.8 and that flexibility of process alignment with strategy speeds up strategy implementation as shown by a mean score of 3.8.
Table 4.5: Organizational Processes and Strategy Implementation

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processes in my organisation are planned to match requirements</td>
<td>4.3</td>
<td>1.4</td>
</tr>
<tr>
<td>for strategy to be implemented</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees are well motivated they turn processes into individual</td>
<td>3.8</td>
<td>1.4</td>
</tr>
<tr>
<td>actions, necessary to produce great success in strategy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>implementation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The organization employs motivational leadership aimed at</td>
<td>3.9</td>
<td>1.4</td>
</tr>
<tr>
<td>achieving sustained performance through personal growth,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>values-based leadership and planning that recognizes human</td>
<td></td>
<td></td>
</tr>
<tr>
<td>dynamics.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>My organization links identified performance factors with</td>
<td>4.3</td>
<td>1.5</td>
</tr>
<tr>
<td>strategic initiatives and projects designed to develop and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>optimize departmental and individual activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The management constructs organizational processes and</td>
<td>4.2</td>
<td>1.4</td>
</tr>
<tr>
<td>capabilities necessary to ensure successful strategy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>implementation through people delivering results</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The processes are aligned to new strategic realities</td>
<td>4.3</td>
<td>1.4</td>
</tr>
<tr>
<td>Changes in processes do not have to be authorized at higher</td>
<td>4.0</td>
<td>1.4</td>
</tr>
<tr>
<td>level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Junior managers are involved in strategy implementation in this</td>
<td>3.9</td>
<td>1.4</td>
</tr>
<tr>
<td>organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexibility of process alignment with strategy speeds up</td>
<td>3.8</td>
<td>0.7</td>
</tr>
<tr>
<td>strategy implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The whole process of negotiating and deciding on the</td>
<td>4.2</td>
<td>0.8</td>
</tr>
<tr>
<td>objectives and strategies of each organizational unit are</td>
<td></td>
<td></td>
</tr>
<tr>
<td>well organised</td>
<td></td>
<td></td>
</tr>
<tr>
<td>When the organization processes is flexible it impacts</td>
<td>4.1</td>
<td>0.7</td>
</tr>
<tr>
<td>positively on strategy implementation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.5 Organizational Culture and Strategy Implementation

4.5.1 Overview of Organizational Culture and Strategy Implementation

From figure 4.4, most of the respondents 45% indicated that organizational culture influence strategy implementation to a great extent. Further, 30% of the respondents indicated that organizational culture influence strategy implementation to a moderate extent, 21% and 4% felt that organizational culture influence strategy implementation to a very great extent and little extent respectively. This depicts that indeed, organization culture influence strategy implementation.

Figure 4.4: Extent Organizational Culture Influence Strategy Implementation

4.5.2. The Extent that Organizational Culture Influence Strategy Implementation

On the respondents’ level of agreement with above statements regarding organization culture and strategy implementation, majority of the respondents strongly agreed that their organization has a clearly defined Mission and vision statement as illustrated by a mean score of 4.4, the power distance in my organization is not a hindrance to strategy implementation as illustrated by a mean score of 4.4 and that there is strong alignment between employee attitudes and strategic goals and objectives as illustrated by a mean score of 4.2. The table
above further shows that the respondents were in agreement with the statement that the organization shows respect for a diverse range of opinions, ideas, and people (allows employee participation in decision making) as illustrated by a mean score of 4.2, that tolerance of new ideas enhances strategy implementation as illustrated by a mean score of 4.2 an that employees at all levels firmly understand their individual and inter-dependent roles in attaining the corporate vision as illustrated by a mean score of 4.2 also, they were in agreement with the statement that their organization has a culture of tolerating risks as illustrated by a mean score of 4.2, that employees in their organization are motivated as illustrated by a mean score of 4.2, that their organization tolerates new ideas as illustrated by a mean score of 4.1 and that their organization provides a fun and friendly customer-centered environment as illustrated by a mean score of 4.1. In addition, the respondents were in agreement with the statement that risk tolerance helps in strategy implementation in their organization as illustrated by a mean score of 4.0 and that the management relates well with juniors in my organization as illustrated by a mean score of 3.5. However, the respondents were neutral in relation to the statement that there is clarity of vision, mission and values among employees throughout the organization as illustrated by a mean score of 3.4, that the organisation sticks to its mission vision and values all the time as illustrated by a mean score of 3.3 and that there is considerable power distance between the upper and lower cadres in the organization as illustrated by a mean score of 3.0.

According to the respondents, organisation culture influences strategy implementation in that if the employees are not supportive of the implementation process, the process ids deemed to fail. therefore, the respond nets recommended that the management and the should motivate employees and encourage them to participte in the formulation and implementation process so that they can own up the process. others indicated that the form of leadership in the organisation discouraged strategy implementation. it was also indicated that implementaion effort in the organisation was discouraged by lack of strong cultural values that are essential in meeting the changing organizational needs associated with strategy implementation. Further, the respondents indicated that teamwork enhanced strategic implementation citing that with teamwork, enhance shared beliefs, norms and values within an organization and therefore employees works to achieve a common goal.
Table 4.6: Organizational Culture’s influence on Strategy Implementation

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>My organization has a clearly defined Mission and vision statement</td>
<td>4.4</td>
<td>0.7</td>
</tr>
<tr>
<td>My organization shows respect for a diverse range of opinions, ideas, and people (allows employee participation in decision making)</td>
<td>4.2</td>
<td>1.0</td>
</tr>
<tr>
<td>My organization has a culture of tolerating risks</td>
<td>4.2</td>
<td>0.8</td>
</tr>
<tr>
<td>There is considerable power distance between the upper and lower cadres in the organization</td>
<td>3.0</td>
<td>1.0</td>
</tr>
<tr>
<td>My organization tolerates new ideas</td>
<td>4.1</td>
<td>0.7</td>
</tr>
<tr>
<td>Risk tolerance helps in strategy implementation in my organization</td>
<td>4.0</td>
<td>1.1</td>
</tr>
<tr>
<td>The power distance in my organization is not a hindrance to strategy implementation</td>
<td>4.4</td>
<td>0.7</td>
</tr>
<tr>
<td>The tolerance of new ideas enhances strategy implementation</td>
<td>4.2</td>
<td>1.0</td>
</tr>
<tr>
<td>Employees in my organization are motivated</td>
<td>4.2</td>
<td>0.8</td>
</tr>
<tr>
<td>The management relates well with juniors in my organization</td>
<td>3.5</td>
<td>0.9</td>
</tr>
<tr>
<td>My organization provides a fun and friendly customer-centered environment</td>
<td>4.1</td>
<td>0.7</td>
</tr>
<tr>
<td>There is clarity of vision, mission and values among employees throughout the organization</td>
<td>3.4</td>
<td>1.1</td>
</tr>
<tr>
<td>Employees at all levels firmly understand their individual and inter-dependent roles in attaining the corporate vision</td>
<td>4.2</td>
<td>1.0</td>
</tr>
<tr>
<td>There is strong alignment between employee attitudes and strategic goals and objectives.</td>
<td>4.2</td>
<td>0.8</td>
</tr>
<tr>
<td>The organisation sticks to its mission vision and values all the time.</td>
<td>3.2</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Majority of the respondents 63.4% indicated that organizational structure influences strategy implementation to a great extent, 19.2% to a moderate extent and 11.2% to a very great extent. Further, 5.1% and 1.1% indicated that organizational structure influences strategy implementation to a little extent and not at all respectively. This therefore depict that
organization structure has to work on to ensure that it support strategy implementation as it influence strategy implementation.

![Figure 4.5: Extent Organizational Structure influences Strategy Implementation](image)

**4.6 Organizational Structure and Strategy Implementation**

Majority of the respondents strongly agreed that their organizational structure is not bureaucratic as indicated by a mean score of 4.4, that the nature of their organizational structure enhances flexibility, which is critical to strategy implementation as indicated by a mean score of 4.4 and that the management pinpoints the key functions and tasks requisite for successful strategy execution as indicated by a mean score of 4.3 the respondents were in agreement with the statement that the current structure of the their organisation enhances strategy implementation as indicated by a mean score of 4.2, that in their organization, the structure is not rigid hence it does not maintain structural status quo as indicated by a mean score of 4.2, that the current structure, in their organization has clear lines of authority as indicated by a mean score of 4.2 and that there are clear procedures, rules and responsibilities that give organizational members certainty during an implementation effort as indicated by a mean score of 4.2. Further, the respondents were in agreement with the statement that the managers always determine the degrees of authority needed to manage each organizational unit, bearing in mind both the benefits and costs of decentralized decision making as indicated by a mean score of 4.2, that the current organizational structure enhances institutional
effectiveness as indicated by a mean score of 4.2, that current organisation structure allows employee participation in decision making as indicated by a mean score of 4.2, that the nature of our organizational structure does not inhibit the free flow of information critical to strategy implementation as indicated by a mean score of 4.1 and that to enhance strategic implementation success, their organisation selects the right people for key positions as indicated by a mean score of 4.1.

The respondents recommended that the managers in the organization should delegate powers to their juniors in order to reduce the number of reports per supervisor. However, they noted that hierarchy should be maintained in order to offer proper co-ordination of implementation of activities. It was also recommended that there needed to be split of big departments into smaller more manageable, inter related one’s so as to enhance interdependence of departments and therefore enhance teamwork.
Table 4.7: Organization Structure and Strategy Implementation

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organizational structure is not bureaucratic</td>
<td>4.4</td>
<td>0.7</td>
</tr>
<tr>
<td>The current organizational structure enhances institutional</td>
<td>4.2</td>
<td>0.6</td>
</tr>
<tr>
<td>effectiveness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The current structure has clear lines of authority</td>
<td>4.2</td>
<td>0.9</td>
</tr>
<tr>
<td>The current structure of the organisation enhances strategy</td>
<td>4.2</td>
<td>0.6</td>
</tr>
<tr>
<td>implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The nature of our organizational structure does not inhibit the</td>
<td>4.1</td>
<td>1.0</td>
</tr>
<tr>
<td>free flow of information critical to strategy implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The nature of our organizational structure enhances organizational</td>
<td>4.4</td>
<td>0.7</td>
</tr>
<tr>
<td>flexibility critical to strategy implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current organization structure allows employee</td>
<td>4.2</td>
<td>0.6</td>
</tr>
<tr>
<td>participation in decision making</td>
<td></td>
<td></td>
</tr>
<tr>
<td>There are clear procedures, rules and responsibilities that</td>
<td>4.2</td>
<td>0.9</td>
</tr>
<tr>
<td>give organizational members certainty during an implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>effort</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In my organization, the structure is not rigid hence it does</td>
<td>4.2</td>
<td>0.6</td>
</tr>
<tr>
<td>not maintain structural status quo</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To enhance strategic implementation success, my organisation</td>
<td>4.1</td>
<td>1.0</td>
</tr>
<tr>
<td>selects the right people for key positions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The managers always determine the degrees of authority needed</td>
<td>4.2</td>
<td>1.0</td>
</tr>
<tr>
<td>to manage each organizational unit, bearing in mind both the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>benefits and costs of decentralized decision making.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The management pinpoints the key functions and tasks requisite</td>
<td>4.3</td>
<td>0.5</td>
</tr>
<tr>
<td>for successful strategy execution</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.6.1 Organizational Structure’s Implication on Strategy Implementation

Pearson’s product moment correlation analysis was used to assess the relationship between the variables while multiple regression was used to determine the predictive power of organizational structure on strategy implementation in the light of other predictor variables in Kenya Commercial Bank.

4.6.1.1 Correlation Between Organizational Structure and Strategy Implementation

The data presented before on the factors affecting strategy implementation (in terms of organizational structure, organizational culture and organizational process) in Kenya Commercial Bank were computed into single variables per factor by obtaining the averages of each factor. Pearson’s correlations analysis was then conducted at 95% confidence interval and 5% confidence level 2-tailed. The table above indicates the correlation matrix between the factors (organizational structure, organizational culture and organizational process) and strategy implementation. According to the table below, there is a positive relationship between strategy implementation and organizational structure, organizational culture and organizational process of magnitude 0.606, 0.852 and 0.793 respectively. The positive relationship indicates that there is a correlation between the factors and strategy implementation in Kenya Commercial Bank with organizational culture having the highest value and organizational process having the lowest correlation value.

This notwithstanding, all the factors had a significant p-value (p<0.05) at 95% confidence level. The significance values for organizational structure, organizational culture and organizational process were 0.048, 0.011 and 0.024 respectively. This indicated that all the factors were significant with organizational culture being the most significant factor followed by organizational structure while organizational process was the least significant.
Table 4.8: Pearson Correlation

<table>
<thead>
<tr>
<th></th>
<th>Strategy implementation</th>
<th>Organizational process</th>
<th>Organizational culture</th>
<th>Organizational structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy implementation (r)</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(p) (2 tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational process (r)</td>
<td>0.606</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(p) (2 tailed)</td>
<td>0.048</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational culture (r)</td>
<td>0.852</td>
<td>0.118</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>(p) (2 tailed)</td>
<td>0.011</td>
<td>0.047</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational structure (r)</td>
<td>0.793</td>
<td>0.128</td>
<td>0.247</td>
<td>1.000</td>
</tr>
<tr>
<td>(p) (2 tailed)</td>
<td>0.024</td>
<td>0.019</td>
<td>0.047</td>
<td></td>
</tr>
</tbody>
</table>

### 4.6.1.2 Regressing Organizational Structure With Strategy Implementation

A multiple regression analysis was conducted in this study so as to test relationship among variables (independent) on strategy implementation in Kenya Commercial Bank. The research used statistical package for social sciences (SPSS Version 20) to code, enter and compute the measurements of the multiple regressions.

Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (strategy implementation) that is explained by all the three independent variables (organizational process, organizational culture and organizational structure).
4.6.1.2.1 Model Summary

Table 4.9: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.916</td>
<td>0.839</td>
<td>0.744</td>
<td>0.4436</td>
</tr>
</tbody>
</table>

The three independent variables that were studied, explain only 83.9% of the factors influencing strategy implementation in Kenya Commercial Bank as represented by the R$^2$. This therefore means that other factors not studied in this research contribute 16.1% of strategy implementation. Therefore, further research should be conducted to establish the factors contributing to the 16.1%.

4.6.1.2.2 ANOVA Results

Table 4.10: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>2.534</td>
<td>3</td>
<td>1.267</td>
<td>7.563</td>
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<td></td>
<td>Residual</td>
<td>9.307</td>
<td>104</td>
<td>2.327</td>
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<td></td>
<td>Total</td>
<td>3.465</td>
<td>107</td>
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The significance value is 0.0236 which is less than 0.05 thus the model is statistically significant in predicting how organizational process, organizational culture and organizational structure influence strategy implementation in Kenya Commercial Bank. The F critical at 5% level of significance was 3.27. Since F calculated is greater than the F critical (value = 7.563), this shows that the overall model was significant.
4.6.1.2.3 Coefficient of Determination

Multiple regression analysis was conducted as to determine the relationship between strategy implementation and the three variables. As per the SPSS generated table above, the equation

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon$$

becomes:

$$Y = 1.157 + 0.797X_1 + 0.897X_2 + 0.843X_3$$

The regression equation above has established that taking all factors into account (organizational process, organizational culture and organizational structure) constant at zero, strategy implementation will be 1.157. The findings presented also shows that taking all other independent variables at zero, a unit increase in organization processes will lead to a 0.797 increase in strategy implementation while a unit increase in organization culture will lead to a 0.897 increase in strategy implementation and a unit increase in organization structure will lead to 0.843 increase in strategy implementation. This infers that organization culture contribute most to strategy implementation. At 5% level of significance, organization process
had a 0.0142 level of significance; organization culture showed a 0.0131 level of significance and organization structure showed a 0.0142 level hence the most significant factor is organization culture.

4.6.1.2.4 Indepth Expose of the Relationship Between Organizational Structure and Strategy Implementation

According to the interviewees, organizational culture affects strategy implementation as it enhances integration of activities. Further, they indicated that organizational culture dictates the way of doing things in an organization and therefore a positive culture would enhance strategy implementation and vice versa. According to the interviewees, organizational culture that allows employees to be involved in strategy formulation and implementation enhances the implementation of strategy, as the employees are able to feel part of the process. They also indicated that the branches in their respective regions adhered to the mission, vision and values of the organization indicating that these were very clear amongst the banks employees and therefore this enhanced strategy implementation. However, there was a small fraction of the interviewees who indicated that the mission, vision and values of the organization were not religiously followed and this had an adverse effect on strategy implementation.

All the interviewees unanimously agreed that there was a notable power distance between upper and lower cadres in the organization. However, while some indicated that this enhanced strategy implementation, others felt that this undermined the efforts to strategy implementation. Those who felt that power distance in the organization enhanced strategy implementation cited their reasons as; it enhances efficiency in the management as the top managers effectively delegate non-critical roles to lower cadres in the organization. Those who felt that the power distance discourages efforts for strategy implementation indicated that large power distances from brought about bureaucracy and therefore slowed down the implementation process as in increased the number of reporting points.

According to the interviewees, junior officers are actively involved in formulation and implementation of strategy. While some indicated that the organisational structure in the bank was beuruaocratic, others indicated that it was not. They however indicated that there was a clear chain of authority in the organization that is understandable to all employees. The interviewees further highlighted that organizational structure in place allows for employee
participation in decision making. They noted that the organization practised a participatory leadership and conducted meetings for all employees before actualizing major changes in the bank. The interviewees however noted that the competence of employee impacted strategy implementation in the bank since incompetent employees subject an organisation to other incidental expenses like training: this therefore undermines the strategy implementation process in the organisation.

From the majority of the interviewees, processes in the organization are planned to match requirements for a strategy to be implemented. They highlighted that planning was done to determine the course of action and to assign responsibility to individuals for various actions in the implementation. Further, according to the interviewees planning involves decisions making on allocating its resources to pursue this strategy implementation and therefore is a key stage in implementation that dictates its success or failure. However, it was also indicated that employees in the organisation were motivated enough to turn processes into individual actions, necessary to produce a great success in strategy implementation. They indicated that the organisation realised the contribution of the employees and therefore rewarded outstanding performance. They also indicated that the employees were well remunerated and hence would be motivated to ensure success in strategy implementation. Top managers in the organisation were reportedly spending an inordinate amount of time analyzing, selecting, acquiring, or developing the necessary resources to ensure success in strategy implementation.

The management was found to construct organizational processes and capabilities necessary to ensure successful strategy implementation through people delivering results. The interviewees highlighted that adequate resources were allocated to ensure successful strategy implementation.

They also indicated that the process of negotiating and deciding on the objectives and strategies of each organizational unit was well organised. They highlighted that due to the interdependence of various departments, objectives of each department were agreed upon jointly leading to enhanced cohesion among employees in various departments. Further, they indicated that since the objectives of each department were focused to the overall goal of achieving success in the organisation, the objectives of each department had to be properly and jointly arrived at as the departments were inter-related.
4.7 Chapter Summary

This chapter presented results on analysis of the factors affecting strategy implementation in Kenya Commercial Bank. The chapter sought to establish the extent organizational process, organizational culture and organizational structure affect strategy implementation in Kenya Commercial Bank. The study targeted employees in KCB, Kenya derived from Central region, Coast region, Great Rift region, Western Region and Nairobi Region and the Strategy and Innovation department. The next chapter presents an overview of the study discussions, conclusions and key recommendations.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter consists of four sections, namely, summary, discussion, conclusions, and recommendations following that order. The initial section provides a summary of the important elements of the study that includes the study objectives, methodology, and the findings. The following subsequent section discusses the major findings of the study with regards to the research questions. Section three discusses the conclusions based on the research questions, while using the findings and results that are obtained in the fourth chapter. The last sub-section provides the recommendations for improvement based on the specific objectives. It also provides the recommendations for further studies.

5.2 Summary

The importance of strategy to a firm cannot be gainsaid. Implementation of strategy defines the process through which a selected strategy is actualized. In the context of this study, the fact that financial institutions have strived from various stages alongside the adoption of various organizational strategies indicates that it has not been easy to achieve optimum strategy implementation. The purpose of this study was to analyze the factors affecting strategy implementation in Kenya Commercial Bank. This study was guided by the following research questions: to what extent does an organizational process affect strategy implementation in Kenya Commercial Bank; in what ways does organizational culture affect strategy implementation in Kenya Commercial Bank; and to what extent does organizational structure affect strategy implementation in Kenya Commercial Bank?

The study employed descriptive research design targeting employees at KCB and a sample of 313 respondents. The study used primary data. The primary data was collected using questionnaires and an interview guide. Quantitative data collected was analyzed with the use of descriptive statistics using SPSS (version 20) as the tool of choice and presented through diverse measures that included percentages, means, standard deviations and frequencies. The study further employed a multivariate regression model to study the relationship between dependent and independent variables.
The study found that organizational processes, organizational culture and organisational structure influence strategy implementation to a great extent in KCB. The study established that organizational performance was linked to its strategic initiatives. The results also indicate that there is a strong alignment between employee attitudes and strategic goals and objectives. The organisation has a culture of tolerating risks and the employees are motivated.

It also indicated that processes in the organization are planned to match strategic realities and linked to people delivering results. The results also indicate that the organization turns processes into individual actions, necessary to produce great success in strategy implementation.

The study also found that the structure in place allows for employee participation in decision making and therefore allows the employees to feel part of the process of strategy implementation. It was also demonstrated that the organization has a well defined mission and vision statement and the power distance in the organization is not a hindrance to strategy implementation. The nature of the organizational structure enhances organizational flexibility which is critical to strategy implementation.

The study aimed to determine what extent organizational process affect strategy implementation in Kenya Commercial Bank. To this research question, the study concluded that organization processes influence strategy implementation to a great extent. The study concludes that organizational culture influences strategy implementation to a great extent in Kenya commercial Bank. To this end the study concludes that the Kenya commercial Bank has a clearly defined mission and vision statement and the power distance in the organization is not a hindrance to strategy implementation. The study concludes that organizational structure affect strategy implementation in Kenya Commercial Bank. The study concludes that the structure of Kenya Commercial Bank is not in the least bureaucratic. Rather, it was found that its structure’s nature enhances organizational suppleness that is key to strategy implementation.
5.3 Discussions

5.3.1 Effect of Organizational Process on Strategy Implementation

According to Okumus (2001), organizational process includes operational planning, resource allocation, people, communication, control and feedback. The various processes have an impact on each other in one way or the other. For example, the process of initiating the project and the operational planning of the implementation activities affect the resource allocation, communication and the provision of training and incentives. Resource allocation refers to the process of ensuring that all essential time, skills, financial resources, and knowledge are made available. Recruitment of appropriate staff for the new strategy implementation is a crucial consideration and this relates to appropriate training of managers in this regard and the provision of incentives that relate to strategy implementation. Okumus (2001), emphasizes on the need to utilize clear and multiple modes of communication (top-down, bottom-up, lateral, formal informal, internal, external, one time and continuous communication) to communicate the new strategy within and outside the organization. The efforts and results of the implementation are to be monitored and compared against predetermined objectives. The operational plans and communication are regarded as key to monitoring the process (Okumus, 2001).

These assertions in the literature corroborate the study findings which established that organizational processes influence strategy implementation to a great extent in Kenya commercial Bank.

This study also established that organization associations identified performance factors with strategic initiatives and projects designed to develop and optimize departmental and individual activities that the processes are aligned to new strategic realities and that processes in their organization are planned to match requirements for strategy to be implemented. Further, it was indicated that the management constructs organizational processes and capabilities necessary to ensure successful strategy implementation through people delivering results. The whole process of negotiating and deciding on the objectives and strategies of each organizational unit were well organized. Also, when the organizational processes are flexible it impacts positively on strategy implementation and that changes in processes do not have to be authorized at higher levels.
This corroborates Kruger and Mama (2012) who established that strategy formulation includes developing a business system identifying an organization’s external opportunities and threats, determining internal strengths and weaknesses, establishing long term objectives generating alternative strategies and choosing specific strategies to pursue. Strategic formulation therefore, includes making decisions on what new business to enter, what new businesses to abandon, resource allocation, expansion and diversification, whether to enter regional or international markets mergers or joint ventures and how to avoid hostile takeovers. To this end, Ahuja (2003) insisted that due to constraints of resources organizations must decide which alternative strategies will benefit them the most. Strategy formulation decisions commit an organization to specific products, markets, resources and technologies over an extended period of time. Strategies determine long term competitive advantage. They have major multi-functional consequences and enduring effects on an organization. Top managers have the best perspective to understand fully the ramifications of formulating decisions and have the unenviable authority to commit the resources necessary for implementation (Pearce and Robinson, 2005).

The study also showed that the organization employs motivational leadership aimed at achieving sustained performance through personal growth, value-based leadership and planning that recognizes human dynamics, that junior managers are involved in strategy implementation in this organization, and that employees are well motivated. They turn processes into individual actions, necessary to produce great success in strategy implementation and that the flexibility of process alignment with strategy speeds up strategy implementation.

5.3.2 Effect of Organizational Culture on Strategy Implementation

The study established that organizational culture influences strategy implementation to a great extent in Kenya commercial Bank. It also established that the organization has a clearly defined mission and vision statement and the power distance in the organization is not a hindrance to strategy implementation. The study further established that there is strong alignment between employee attitudes and strategic goals and objectives. The study as well shows that the organization shows respect for a diverse range of opinions, ideas, and people and that tolerance of new ideas enhances strategy implementation and that employees at all levels firmly understand their individual and inter-dependent roles in attaining the corporate
vision. These findings corroborate the postulation in literature that Collaborative Model of strategy implementation, organizations have both a strong culture and deep-rooted traditions. The challenge of successful strategy implementation results from lack of cultivation of strong cultural values that are essential in meeting the changing organizational needs. The distinction between “thinkers” and “doers” begins to blur but does not totally disappear (Kotter and Heskett, 1992).

The study also found that the organization has a culture of tolerating risks and that employees in their organization are motivated. The study also found that the organization tolerates new and provides a fun and friendly customer-centered environment. In addition, the study established that risk tolerance helps in strategy implementation in the organization and that the management relates well with juniors in the organization. This is consistent with the findings in the literature which point out that strategy which is a fundamental management tool in any organization is a multi-dimensional concept that various authors have defined in different ways. It is the match between an organization’s resources and skills and the environmental opportunities as well as the risks it faces and the purposes it wishes to accomplish (Thompson, 1993). It is meant to provide guidance and direction for the activities of the organization. Since strategic decisions influence the way organizations respond to their environment, it is very important for a firm to make strategic decisions and define strategy in terms of its function to the environment. The purpose of strategy is to provide directional cues to the organization that permit it to achieve its objectives while responding to the opportunities and threats in the environment (Pearce and Robinson, 2007). Johnson and Scholes (2002), view strategy as the direction and scope of an organization over the long-term, which attains gains for the organization through its alignment of resources within a changing environment, and satisfy stakeholder’s expectations.

The study established that organization culture influences strategy implementation to a great extent in Kenya commercial Bank. It also established that the organization has a clearly defined mission and vision statement and the power distance in the organization is not a hindrance to strategy implementation. The study further established that there is strong alignment between employee attitudes and strategic goals and objectives. The study as well shows that the organization shows respect for a diverse range of opinions, ideas, and people and that tolerance of new ideas enhances strategy implementation and that employees at all levels firmly understand their individual and inter-dependent roles in attaining the corporate
vision. These findings resonate with the literature by Thompson et al. (2005), which establish that strategy implementation requires a firm to establish annual objectives, devise policies motivate employees and allocate resources so that formulated strategies can be executed; strategy implementation includes developing a strategy supportive culture creating an effective organizational structure, redirecting marketing efforts, preparing budgets, developing and utilizing information systems, and linking employees compensation to organizational performance. Strategy implementation often is called the action stage of strategic management. Ahuja (2003) indicated therefore that implementing strategy means mobilizing employees and managers to put formulated strategies into action. Successful strategy implementation requires discipline, commitment, sacrifice and tests manager’s ability to motivate employees. Interpersonal skills are critical for a successful strategy implementation. Implementation affects all employees and employers in an organization. Each division and department must decide on answers to questions such as “what must we do to implement our part of the organization strategy?”

5.3.3 Effect of Organizational Structure on Strategy Implementation

The study found that organisational structure influences strategy implementation to a great extent in Kenya commercial Bank. A review of the existing literature indicates that most companies are configured in terms of four basic elements of organizational culture. These are namely; span of control, centralization, formalization and departmentalization. The most fundamental elements to describe the shape of an organization are its breadth and its depth (Colombo and Delmastro 2002). The depth of an organization is the number of hierarchical layers or management levels between the top management and operational employees.

It also found that organizational structure is not bureaucratic and that the nature of the organizational structure enhances organizational flexibility critical to strategy implementation. According to literature, bureaucracy refers to the number of people directly reporting to the next level in the hierarchy (Hambrick, and Cannella, 2002). A narrow span of control exists when very few people report directly to the manager, whereas a wide span exists when a manager has many direct reports. Hambrick and Cannella, (2002), strongly recommended a relatively narrow span of control typically no more than 20 employees per supervisor and 6 supervisors per manager. They championed formal hierarchy as the primary coordinating mechanism, so they believed that supervisors should closely monitor and coach employees.
The views are similar to most modern organizations which champion not more than 10 direct reports as the optimal span of control. These prescriptions are based on the belief that managers simply cannot monitor and control any more subordinates closely enough. This belief though is not true for manufacturing firms which currently have an average of 40 production employees per supervisor (Hrebiniak, 2006).

The study further established that the management pinpoints the key functions and tasks requisite for successful strategy execution and that the current structure of the organisation enhances strategy implementation. The study also established the organisation structure is not rigid hence it does not maintain structural status quo and that the current structure in the organisation has clear lines of authority. This corroborates Carl and Kaplan (1998) findings that described formalization as the degree to which an organization standardize behavior through rules, procedures, training and related mechanism. Formalization therefore checks how standardized an organization’s jobs are and the extent to which employee behavior is guide by rules and procedures. In highly formalized organizations, there are explicit jobs descriptions, numerous organizational rules, and clearly defined procedures covering work processes. Carl and Kaplan (1998) indicated therefore that employees have little discretion over what’s done, when it’s done, and how it’s done. However where formalization is low, employees have more discretion in how they do their work. Companies become more formalized as they increasingly rely on standardization to coordinate work. For example, fast food chains typically have a high degree of formalization because they rely on standardization of work processes as a coordinating mechanism. Employees have precisely defined roles, detailing expectations of service TAT’s.

According to Wang (2007), the choice of structure is dependent on organizational size. Larger organizations should have different structures from smaller organizations. As the number of employees’ increases, job specialization increases due to a greater division of labor. Therefore larger firms make greater use of standardization to coordinate work activities hence creating an administrative hierarchy and greater formalization. Technology is also another factor to consider when designing an organizational structure. Technology refers to the mechanisms or processes by which an organization turns out its product or service. It may be challenging to define the best organizational structure for a firm since this depends on diverse variables including; the external environment, size, technology, and strategy. An optimal structure may
depend on whether the environment is dynamic or stable, simple or complex, diverse or integrated, and hostile or munificent (John and Meier, 2001). The findings of this study established that there are clear procedures, rules and responsibilities that give employees certainty during an implementation effort and that the managers always determine the degrees of authority needed to manage each organizational unit, bearing in mind both the benefits and costs of decentralized decision making. The study also established that the current organizational structure enhances institutional effectiveness and that current organisation structure allows employee participation in decision making that the nature of our organizational structure does not inhibit the free flow of information critical to strategy implementation. Finally the study established that to enhance strategic implementation success, the organisation selects the right people for key.

5.4 Conclusion

5.4.1 Effect of Organizational Process on Strategy Implementation

The study aimed to determine what extent organizational process affect strategy implementation in Kenya Commercial Bank. To this objective, the study concluded that organization processes influence strategy implementation to a great extent. It was shown that organization links identified performance factors with strategic initiatives and projects designed to develop and optimize departmental and individual activities that the processes are aligned to new strategic realities and that processes in their organization are planned to match requirements for strategy to be implemented.

5.4.2 Effect of Organizational Culture on Strategy Implementation

The study concludes that organizational culture influences strategy implementation to a great extent in Kenya commercial Bank. To this end the study concludes that the Kenya commercial Bank has a clearly defined mission and vision statement and the power distance in the organization is not a hindrance to strategy implementation. The study further concludes that there is strong alignment between employee attitudes and strategic goals and objectives. The study as well concludes that the organization shows respect for a diverse range of opinions, ideas, and people and that tolerance of new ideas enhances strategy implementation and that employees at all levels firmly understand their individual and inter-dependent roles in attaining the corporate vision.
5.4.3 Effect of Organizational Structure on Strategy Implementation

The study concludes that organizational structure affect strategy implementation in Kenya Commercial Bank. The study concludes that Kenya Commercial Bank structure is not bureaucratic and that the nature of its structure enhances organizational flexibility critical to strategy implementation. The study further concludes that the management pinpoints the key functions and tasks requisite for successful strategy execution and that the current structure of the organisation enhances strategy implementation.

5.5 Recommendations

5.5.1 Recommendations Improvement

5.5.1.1 Effect of Organizational Process on Strategy Implementation

From the findings, the study recommends that commercial banks or any other organization for that matter that requires to successfully implement the chosen strategy, needs to consider their resources (financial and human resources), management support, and organization structure.

5.5.1.2 Effect of Organizational Culture on Strategy Implementation

From the findings, the study recommends that commercial banks should clearly have defined mission and vision statement and the power distance in the organization so as not to be a hindrance to strategy implementation.

5.5.1.3 Effect of Organizational Structure on Strategy Implementation

From the findings, the study recommends that organisational structure should not be bureaucratic in order to enhance organizational flexibility in strategy implementation.
5.5.2 Recommendations for Further Studies

The study established that there are factors within the organization that influence strategy implementation. To augment this study, it is recommended that other studies be conducted to establish effects of strategy implementation on performance of commercial banks. This study will support decision making in organization regarding strategy implementation and therefore help remove the barriers to strategy implementation, as it will show the benefits associated with strategy implementation and therefore win management support in the organization.
REFERENCES


Dear Participant,

My name is Metric Mukhalasie and I am a graduate student pursuing a Degree of Masters in Business Administration (MBA) at the Chandaria School of Business, United States International University (USIU). As a requirement of my final year project, I am examining the factors affecting strategy implementation in corporate organizations. This is in relation to my project study titled An Analysis of the Factors Affecting Strategy Implementation in Kenya Commercial Bank. Given your professional placing in a similar environment to the area of interest of my paper, I am inviting you to participate in this research study by completing the questionnaire provided.

The questionnaire is subdivide into four sections that will require approximately 15 minutes of your time. You are humbly requested to answer each question with ultimate honesty as the results will be used for analysis to get a bigger picture with regard to the project study.

Taking part in this process is entirely voluntary and completion and return of the questionnaire will indicate your willingness to participate in this study. It will be my obligation to ensure confidentiality of your information, and to assist with this, please exclude any personal information from the questionnaire.

Your participation in this criteria is highly appreciated as it will ensure that I successfully complete my academic endeavors. As an extension of appreciation, I will provide the feedback of my data collection through an in-depth analysis.

Any further information required with regard to both the questionnaire and the project study can be obtained through the provided contact information.

Yours Sincerely,
Metric Mukhalasie.
Mobile no: +254 722 810 800
E-mail address: mmukhalasie@gmail.com
Supervisor: Fredrick Newa
Supervisor’s Phone no.: +254 726 302 232
Supervisor’s email address: fnewa@usiu.ac.ke
APPENDICES

Appendix I: Questionnaire

Section A; Background Examination

1. What is your Gender?
   
   Male [ ] Female [ ]

2. Indicate your Age Group
   
   21-25 [ ] 26-30 [ ] 31-35 [ ] 36-40[ ] above 41[ ]

3. Indicate your Level of Education
   
   High school [ ] Certificate [ ] Diploma [ ] Degree [ ] Post Graduate [ ]

4. How long have you worked in this organization
   
   Less than 5 years [ ] between 5 and 10 years [ ] 11 to 15 years [ ] above 15 years [ ]

Section B Organizational Culture

5. In your opinion, to what extent do you think organization culture influence strategy implementation?
   
   Not at all [ ]
   Little extent [ ]
   Moderate extent [ ]
   Great extent [ ]
   To a very great extent [ ]

6. What is your level of agreement with the following statements regarding organization culture and strategy implementation? Use a scale of 1 to 5 where 1 = to strongly disagree and 5 = strongly agree.
| My organization has Missions and visions statement | 1 | 2 | 3 | 4 | 5 |
| My organization shows respect for a diverse range of opinions, ideas, and people (allows employee participation in decision making) | | | | | |
| My organization has a culture of tolerating risks | | | | | |
| There is considerable power distance between the upper and lower cadres in the organization | | | | | |
| My organization tolerates new ideas | | | | | |
| Risk tolerance helps in strategy implementation in my organization | | | | | |
| The power distance in my organization is a hindrance to strategy implementation | | | | | |
| The tolerance of new ideas enhances strategy implementation | | | | | |
| Employee in my organization are motivated | | | | | |
| The management relates well with juniors in my organization | | | | | |
| My organization provides a fun and friendly customer-centered environment | | | | | |
| There is clarity of vision, mission and values among employees throughout the enterprise | | | | | |
| Employees at all levels firmly understand their individual and inter-dependent roles in attaining the corporate vision | | | | | |
| There is strong alignment between employee attitudes and strategic goals and objectives. | | | | | |
| The organisation sticks to its mission vision and values all the time. | | | | | |
7. In your opinion, in what ways do you think organisation culture influences strategy implementation?

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Section C: Organisational structure

8. In your opinion, to what extent do you think organization structure influence strategy implementation?
   Not at all [ ]
   Little extent [ ]
   Moderate extent [ ]
   Great extent [ ]
   To a very great extent [ ]

9. What is your level of agreement with the following statements regarding organization structure and strategy implementation? Use a scale of 1 to 5 where 1 = to strongly disagree and 5 = strongly agree.
The organisational structure is not bureaucratic

The current organizational structure enhances institutional effectiveness

The current structure has clear lines of authority

The current structure of the organisation enhances strategy implementation

The nature of our organizational structure inhibits the free flow of information critical to strategy implementation

The nature of our organizational structure enhances organizational flexibility critical to strategy implementation

Current organisation structure does not allow employee participation in decision making

There are clear procedures, rules and responsibilities that give organizational members certainty during an implementation effort

In my organisation, the organisation structure is not rigid hence it does not maintain structural status quo

To enhance strategic implementation success, my organisation selects the right people for key positions

The managers always determine the degrees of authority needed to manage each organizational unit, bearing in mind both the benefits and costs of decentralized decision making.

The management pinpoints the key functions and tasks requisite for successful strategy execution

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<td>10. In your opinion, what would you recommend be done to the current organisational structure in your company to improve strategic implementation?</td>
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Section D: Processes

11. In your opinion, to what extent do you think organization processes influence strategy implementation?

Not at all [ ] Little extent [ ] Moderate extent [ ] Great extent [ ] To a very great extent [ ]
12. What is your level of agreement with the following statements regarding organization processes and strategy implementation? Use a scale of 1 to 5 where 1 = to strongly disagree and 5 = strongly agree.

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<tr>
<td>Processes in my organisation are planned to match requirements for a strategy to be implemented</td>
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<td>Employees are well motivated they turn processes into individual actions, necessary to produce a great success in strategy implementation</td>
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<td>The organization employs motivational leadership aimed at achieving sustained performance through personal growth, values-based leadership and planning that recognizes human dynamics</td>
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<td>My organization links identified performance factors with strategic initiatives and projects designed to develop and optimize departmental and individual activities</td>
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<td>The management constructs organizational processes and capabilities necessary to ensure successful strategy implementation through people delivering results</td>
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<td>The processes are aligned to new strategic realities</td>
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<td>Changes in processes have to be authorized at higher level</td>
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<td>Junior managers are involved in strategy implementation in this organization</td>
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<td>Inflexibility of process alignment with strategy slows down strategy implementation</td>
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<td>The whole process of negotiating and deciding on the objectives and strategies of each organizational unit are well organised</td>
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<td>When the organization processes is flexible it impact on strategy implementation</td>
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13. Please comment on the organizational processes in your organization and how they impact strategy implementation in your organization.

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Thank You for Participating
Appendix II: Interview guide

1. In your own opinion, does organization culture influence strategy implementation in the banks in this region?

2. In what ways do you think organization culture influence strategy implementation?

3. In your own assessment, do you think that banks in this region play by the mission, vision and value of the organization? Would you say that vision, mission and values are clear among employees throughout the enterprise? Does this influence the way strategies are implemented?

4. Is there a notable power distance between upper and lower cadres in the organization? Do you think this affects strategy implementation efforts?

5. Are junior officers involved actively involved in formulation and implementation of strategy?

6. Do you think that the organisational structure in your organisation is beuruacratic?

7. Are there clear chain of authority in the organisation that are understandable to all employees?

8. Do you think that organisational structure in place allows for employee participation in decision making? Explain.

9. In all cadres, do you think that the organization has competent employees? How does this impact on strategy implementation?

10. Do you think that processes in your organisation are planned to match requirements for a strategy to be implemented?

11. Do you think that employees are well motivated to turn processes into individual actions, necessary to produce a great success in strategy implementation? Explain.

12. Do you think that the management constructs organizational processes and capabilities necessary to ensure successful strategy implementation through people delivering results? Explain.

13. Comment on the whole process of negotiating and deciding on the objectives and strategies of each organizational unit? Are they well organised?