

**THE INFLUENCE OF STRATEGY IMPLEMENTATION
ANTECEDENTS ON ORGANISATIONAL
PERFORMANCE: A CASE STUDY OF THE TOP 100 MID-
SIZED COMPANIES IN NAIROBI IN 2016**

BY

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**UNITED STATES INTERNATIONAL UNIVERSITY
AFRICA**

FALL 2017

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of Business in Partial Fulfillment of the Requirements for the
Degree of Masters in Business Administration**

(MBA)

**UNITED STATES INTERNATIONAL UNIVERSITY
AFRICA**

FALL 2017

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 United States International University.

Signed: _____ **Date** _____

Diana Anyango Kolek (ID No. 612374)

This research report has been presented for examination with our approval as the appointed supervisors.

Signed: _____ **Date:** _____

Prof. Paul Katuse

Signed: _____ **Date:** _____

Dean Chandaria School of Business

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ABSTRACT

The purpose of this study was to determine the influence of strategy implementation antecedents on organizational performance. This study was guided by the following specific objectives: To determine the influence of firm's structure in strategy implementation on organizational performance. To determine the influence of leadership in strategy implementation on organizational performance. To determine the influence of firms culture in strategy implementation on organizational performance.

The researcher's selected a descriptive research design and the research's population was based on the top management preferably the CEO's of the Top 100 SME's in Kenya. The research chose to do a census on all the 100 companies that are in Nairobi Country. The study focused on primary data which was collected from the target population, using questionnaires which had structured questions that have been designed in line with each of the research objectives. The research issued a total of 100 questionnaires and a total of 80 were filled and returned giving a response rate of 80%. Correlations were done between the dependent and independent variables to test their relationships and the findings presented in tables.

Analysis of the variables of structure revealed that organizational formation is a formal process and the organizational structure is influenced by business type. It was also revealed that current structure creates an atmosphere that allow for innovation and the structure can either promote or impede successful strategy implementation. The findings also show that organizational structure affect efficiency and the structure of the firm affects the organizational performance.

Analysis of the firm's leadership revealed that majority of the respondents agreed that the leadership is highly trained and competent and the leadership influence strategy implementation. It was also revealed that leadership aid employee efficiency and current Leadership allow for innovation. The finding also indicated that leadership affects performance.

An analysis of the influence of culture on strategy implementation revealed that most respondents agreed that the success of strategy implementation lies on the firm's ability to transform learning to action and culture affect performance. In addition, culture aids employee efficiency and it also affect strategy implementation. The researcher analyzed relationship between the dependent variable (organization performance) against other

core factors (Structure, Leadership and Culture). The results showed that 41.2% of the variation in organization performance was explained by the variations in structure, leadership and culture.

The study concluded that among the top 100 SMEs in Kenya, organization formation is a formal process and the individual organization structure is influenced by business type or industry where the firm belongs. It was also concluded that maintaining top 100 position in the Kenyan SME spectra is a daunting task and as such, leadership is highly trained and competent. Finally, the success of strategy implementation in the SMES is fully dependent on the firm's ability to transform learning to action.

It was recommended that SMEs need to keep innovating to increase efficiency in the production processes, there is also a need to evaluate the structural models in place so as to eliminate channels that impede successful strategy implementation. Secondly, SMEs should continue having a trained and competent leadership so as to guarantee positive organizational developments. Thirdly, SMEs need to maintain a culture of transform facts learnt into attainable action.

Further studies should be done to establish how other internal factors influence strategy implementation and organizational performance. The study could also be extended to determine how external factors affect in strategy implementation and organizational performance of the top 100 SMEs.

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Thank you all and God bless you.

DEDICATION

This project is dedicated to my parents Mr. Kevin Kolek and Mrs. Rosemary Kolek and all my siblings. It is also dedicated to all the Top 100 Companies, 2016. Thank you for your support though out this process.

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ABBREVIATIONS AND ACRONYMS

CEO's	- Chief Executive Officers
FSD	- Financial Sector Deepening
ILO	- International Labor Organization
ISO	- International Organization For Standardization
KPMG	- Klynveld Main Goerdeler
M	- Mean
SACCO	- Savings And Credit Cooperative Society
sd	- Standard Deviation
SME	- Small And Medium Enterprises

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Ansoff & McDonnell, (1990) provides a classic definition of strategic management as an important responsibility to general management which is, to position and relate a firm to its environment to ensure continued success and make it secure from surprises. In *Implanting Strategic Management* Ansoff continuously uses the word “Surprise” (Ansoff & McDonnell 1990). This is a clear emphasis on how the business environment is continuously becoming turbulent and unpredictable. It is for this reason that over the years, it has become apparent for senior managers to shift their focus from Strategy formulation to Strategy implementation and control, (Pearce & Robinson 2000). Kaplan & Norton (2000) emphasized that to ensure a firm’s success, strategy implementation is crucial. Atkinson (2006) also appreciates this fact. Other scholars agree to the fact that this has been influenced by the information age, increasingly sophisticated customer, more and more dynamic management practices and globalization (Atkinson, 2006).

To echo the sentiments of Freedman (2003), “first you have to formulate your strategy”. “Without it, it’s like kicking a ball with no goal & no goal keeper in place”. It is clearly a process and the management has a clear cut job of ensuring the alignment of the firms from strategy formulation to implementation so as to guarantee the firms competitive advantage in this very dynamic environment. Atkinson (2006), in his research concluded that the process of strategy implementation appears to be a significant knowledge gap at this very turbulent business environment.

Due to the fact that strategy implementation has not been researched on as much as it would have been preferred, most scholars are in agreement about the lack of knowledge in this area of strategy (Alexander, 1985). This proves the fact that there are fewer frameworks and models for strategic implementation as compared to Strategy formulation. Some of these frameworks as mentioned by Atkinson (2006), include Six sigma, ISO 9000, European quality model, balanced Scorecard, performance pyramid and performance prism (Adams & Neely 2002). There is a great need for empirical research on these tools so as to come up with concrete conclusions on whether they are applicable for use in organizations especially in Africa. This study will adapt the use of the Balance scorecard partly as a helping too to evaluate the performance of the Top 100 Companies.

Note that this study will not focus on the performance but the antecedence of strategy implementation and whether they influence performance.

Okumus (2003), in his journal "Toward a strategy implementation framework," he identifies twelve variables that are his antecedence for strategy implementation. These include; environment, strategy formulation, organization's structure, leadership, organizational culture, outcome, operational planning, resource allocation, people (reward, training and management style), communication, control and feedback and last but not least, External Partner Company, (Agliafi 2011).

According to Pearce & Robinson (2001), Managers have critical issues that are pertinent to strategy implementation. Some of the issues they need to think strategically about includes 1) The best way to organize the firm to accomplish the mission, 2) Identifying suitable leadership capability, 3) The value system that will guide the firm towards its mission 4) The caliber of people in the firm and how to implement reward systems which will encourage appropriate action. This will form the heart of this particular research paper, as the research seeks to interrogate these key ideas and how they affect performance.

It is also cautioned that this focus is internal and that it is important to also consider the external factors as well (Pearce & Robinson 2001). For the purpose of this study the focus will remain on the internal environment. A firm depends heavily on the type of structure to effectively implement its Strategies (Pearce & Robinson 2001). It helps in identifying key activities and how they will be coordinated to achieve the ultimate firm's mission. Researchers have looked into the relationship between leadership and growth of SME's (Asiimwe 2015), from the study it is clear that leadership plays the biggest part in Strategy implementation. In fact it is the key that holds all other factors together to ensure success.

According to Pearce & Robinson (2000), the other key facts include reward systems and culture. These two are more of the leadership responsibility. It is key to ensure the firm attains the right fit of leadership depending on growth season of the firm. For instance, if a company requires growth strategy, it would require a leader who is a risk taker as compared to someone who is risk averse and might not be in a position to make the difficult decisions (Reed and Buckley 1988 p. 68). Freedman (2003) says that as the Top executive strives to align the organization, he should focus to design structure against clear set of criteria and a supportive culture that will bring forth superior performance.

Clearly, as Freedman (2003) acknowledges that, it takes “genius”; it takes commitment, discipline, creativity, leadership, superiors thinking and execution skills.

As SME become a vital part of the country’s economy, the academia are becoming more interested in research in this sector to provide the knowledge support that is required to ensure sustainability and continuous learning. Organizations such as the World Bank, and the financial sector deepening program (FSD) including the governments have taken keen interest on the SME and how they could contribute towards providing enabling environments for SME’s to thrive. (FSD, 2016).

Considerable attention has been paid to SME growth, but to date no theories have been able to explain why some SMEs’ grow and others fail (Farouk and Saleh, 2011). Olawale & Garwe 2010, observed that there is empirical evidence that not all SME’s are able to finish the 5 stages of business growth. The five stages include existence, survival, success, take-off and resource maturity according to Churchill & Lewis (1983).

According to the World Bank, SME’s in most Western European countries represent over 95% of all registered firms, supplying over 50% to national income and employing over 60% of the population (Bell and Tayler, 2016) Despite this fact, vast majority of SME’s still remain in the informal sector (Bell ,2016) thus making it difficult for researchers to study and bring out pertinent issues that would be of great interest to the country as a whole.

SME’s are becoming a more and more recognized entity towards is propelling the nations’ economies. This was evident from the World Bank study with the Central bank which focused on the exploring the supply side of SME finance. The responses from this interview revealed that even within the banking industry it was agreed that standardizing definitions was not possible. How much more difficult would this be for research in different industries (World Bank, 2016).

There is plenty of information about SME and funding as clearly seen from articles on the World Bank. There are numerous conferences and collaborations with banks on the plight of SME funding. The focus should however now shift toward ensuring that these funds produce growth and high performance for the SME’s (Bell, 2016). This is only possible if more focus is put on the management practices specifically strategy implementation and control.

The study will focus on the top 100 Mid-sized SME which is a company survey initiative by KPMG Kenya and the Nation media group. The main objective being to identify Kenya's fastest growing medium sized companies with the aim of showing business excellence and to highlight the entrepreneurship success stories (East Africa top 100 2016). It is an opportunity to celebrate wealth creators and job creators in different countries. It occurs in the EA region (Kenya, Uganda, Tanzania and Rwanda). The study will only focus on the companies which participated in the 2016 survey from Nairobi, Kenya.

Their ranking criteria include revenue growth, profit growth; return to shareholder and cash generation or liquidity. (East Africa top 100 2016). The research will attempt to collect data from all the specified companies but will focus on the top management.

1.2 Statement of the Problem

From the background analysis of this study it has been identified that there is much to be done on the practice of strategic implementation. It is still not clear what frameworks and tools can guarantee the success of a firm Atkinson (2006). It becomes even difficult when implementing Strategy for SME's because there is very minimal research on this particular topic.

The greatest impediment for research on Strategy implementation is the fact that, it touches on the performance of the organization. Most SME's are not willing to give data especially financial information due to fear of exposing their businesses to the outside world.

This study will help build on the identified knowledge gaps that other researchers have identified. According to the Gartner survey January 2010, more than 70% of enterprises in the US use some form of performance measurement system, but according to Rigby 2011, the failure rate of this firms was reported at 50% to 70% which begs the question of how the practitioners and the firms could partner to enable quality research and ease of information for the studies. It is from the research that more novel ideas on implementation can be developed to suit the African business context and that will serve to help the SME's grow their businesses to the next level.

Due to lack of enough research on SME's especially in African countries, it is difficult for policy makers to come up with concrete policies to act as enablers for SME's to thrive. According to the ILO 2015, the SME's (informal Sector) has contributed upto over 82%

of the new jobs created in 2014. This clearly has provoked the government to recognize the great importance of SME's and in so doing the government must focus on what policies should be put in place to help sustain these enterprises.

1.3 General Objective

The purpose of this study was to determine the influence of strategy implementation antecedents on organizational performance.

1.4 Specific Objectives

This study was guided by the following specific objectives:

1.4.1 To determine the influence of firms structure in strategy implementation on organisational performance.

1.4.2 To determine the influence of leadership in strategy implementation on organisational performance.

1.4.3 To determine the influence of firms culture in strategy implementation on organisational performance.

1.5 Importance of the Study

This study is of great importance to the following people groups.

1.5.1 SME

In Kenya, we have numerous SME's that have strategy formulated but are unable to implement. This research will help other SME's to gain more insights on strategy implementation for their individual companies in order to improve their performance.

1.5.2 Entrepreneurs

These are the brains behind the SME's and they will be most impacted by the result of the study. The research will give them information on how they could focus their energies in strategy implementation to achieve a high performance.

1.5.3 Trade organizations eg. The Chamber of Commerce.

The Chamber of Commerce is an organisation that is funded by businesses. The findings for this research will be very insightful to them. It will help them come up with insightful

events, trainings and programs to continuously increase the performance of this organisation.

1.5.4 Governments /policy makers.

The government is particularly interested in the growth of SME's because of the very important role of SME's and their major contribution to the economy. This research will provide government with information useful for policy making to help them facilitate and create an enabling environment for the SME's.

1.5.5 Shareholders

The investors of these SME will benefit from the findings of this research. It will propel more investors to invest in new novel ideas. As they gain more insights to help them be able to advice from a more enlightened position as they will learn about how to promote growth.

1.5.6 Researchers and Academicians

As mentioned from the introduction, it is clear that research is limited on strategy implementation. The findings from this study will be highly appreciated by current and future scholars as it adds to the body of knowledge on the mentioned study. The massive data that will have been collected will prove useful to academicians especially as secondary data that is minimal especially about SME's in Kenya. This data will shed more light on other areas of studies that researchers may want to do.

1.6 Scope of the study

This study focused on organizations that were listed as the Top 100 mid-sized SME's in 2016 based in Nairobi, Kenya. The data collection was done in the period between January and March 2017. The researcher interviewed the top executives and issued questionnaires to selected senior management. Due to the nature of this research and the sensitive information on organisations performance, the researcher anticipated a number of limitations during the data collection.

Expected limitations included difficulty in accessing some of the top executives like the CEO's of these organizations. The researcher also anticipates a lack of confidence toward giving sensitive financial information. It is also expected that some of the questionnaires may not be returned.

The researcher mitigated this by starting to engage with these companies before the data collection period. The researcher also engaged some of her connections from the chamber of commerce to connect her directly to the CEO's of these companies. The researcher further engaged the institution to assist with acquiring an official letter to guarantee professionalism and the assurance of confidentiality of information. The researcher also demonstrated to this organization on the research importance and her willingness to share the findings with all participants.

The scope of the study was limited to a descriptive design that was adapted for the research. The data collection was by questionnaires and interviews techniques. The study focused on determining how structure, leadership and culture influence implementation of strategy.

1.7 Definition of Terms

1.7.1 Strategy

Igor Ansoff (1990) defined corporate strategy as "The positioning and relating of the firm/organization to its environment in a way which will assure its continued success and make it sure from surprises.

1.7.2 Strategy Implementation

Strategy implementation is also defined as the manner in which an organization should develop, utilize, and amalgamate organizational structure, control systems, and culture to follow strategies that lead to competitive advantage and a better performance. All this will be achieved through a control system to equip managers for the task. Ansoff, I. & McDonnell, E. (1990).

1.7.3 Organizational Performance

According to Richard et al. (2009) organizational performance encompasses three specific areas of firm outcomes: (a) financial performance (profits, return on assets, return on investment, etc); (b) product market performance (sales, market share, etc); and (c) shareholder return (total shareholder return, economic value added, etc).

1.7.4 Organizational Culture

A pattern of shared values, norms, and practices that help distinguish one organization from another (Schein, 2010)

1.7.4 Balance Scorecard

It is a Strategic planning and management system that is used in business to align its activities to the vision and strategy of the organisation. It improves the internal and external communication and monitors organisation performance against strategic goals. (Kaplan & Norton, 2000)

1.7.5 Organizational Structure

Organizational structure allocates special value developing tasks and roles to the employees and states how these tasks and roles can be correlated so as maximize efficiency, quality, and customer satisfaction-the pillars of competitive advantage. (Pearce & Robinson, 2001).

1.7.6 Leadership

Influence relationship among leaders and followers who intend real changes and outcomes that reflect their shared purpose. (Daft, 2011).

1.7.7 Reward Management

It is the process of formulation and implantation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization. (Murlis, Armstrong & Helen, 2004)

1.7.8 SME

The definition has been broken into two; a small enterprise which has 10-49 employees with an annual turnover of Between Ksh. 500,000 to Ksh. 5 million and a medium enterprise which has 50 – 99 employees and an annual turnover of between 5million to 800 million (Kushnir, Mirmulstein, Ramalho, 2010)

1.7.9 Top 100 SME's

This is the annual survey that ranks SME's in east Africa in terms of revenue growth, profit growth returns to shareholders and cash generation or liquidity. The survey is by KPMG Kenya and The Nation media Group. (East Africa top 100 (2016)

1.8 Chapter Summary

This chapter presents the background on strategic management, strategy implementation and a summary of the SME's. It also discusses the problem statement which presented the influence of Strategy implementation antecedents on the organizations performance where the focus will be on the Top 100 SME's 2016 survey. The study presents the significance of the study and provides the operational definition of terms.

Chapter two of the research paper will discuss the literature review on each research questions. This review of other studies will be presented. Chapter three of the research paper will be discussion the research methodology to be used during the research. This will include the research designs, techniques and tools that will be used during this process. The population of the study will be defined and specific data collection methods will be specified. Chapter four will be presenting the research finding and results analysis. This will include the discussion of the analysis and findings. Chapter five will present the summaries. It will also discuss the research results conclusions and recommendation for further studies will be highlighted.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This Chapter will present the literature review, theoretical review on the research questions. The review of other related studies will be presented as well. The paper will present the three strategy implementation antecedents in details namely, leadership, culture and structure. It will be reviewing other literature on the subjects and how they have influences on strategy implementation in SME's in Kenya. Finally, it will discuss on whether they influence organizational performance.

2.2 Influence of Structure in Strategy Implementation

Structure of an organization is the graphical representation of the Organizational Chart. It is one of the key aspects considered in the McKinsey's 7 S and it refers to how a company is organized in terms of business units and divisions not forgetting how the communication channels flow (McKinsey, 1980). It is considered as one of the hard elements of the model and the most easily flexible among the other elements. It changes with the growth or change of strategy in the organization. Managers have learnt that the right structure will help in the successful implementation of Strategy and that if the Structure does not adapt with the strategies put in place then it is bound to fail in the implementation (Pearson & Robinson 2000).

Pearson and Robinson (2000), discussed 5 main primary organizational Structures which are; functional, geographical, divisional or strategic business units, matrix and product team. The Functional structure is seen in companies whose focus is on single products. In this type of structure there is specialization of skills which enables the employees to focus on one area. The tasks are divided into functions. The second structure depicts the common slogan by Alfred Chandler (1962) that Structure follows strategy, which is called geographical structure. It is basically brought about when an organization brings about strategies for expansion and moving its products to other new geographical regions. Due to the differences in production, and sales, they require restructuring because they cannot do things the way they have been doing. The company must adjust and adapt to the new environment thus the need to organize by region. The third structure is

divisional. It can also be called strategic business units. This is commonly seen in more sophisticated companies that have diversified their products and service lines.

Due to the strategy of diversification, the structure must definitely change to accommodate the strategy and also to enable the management of the excessive demands for example, the numerous distribution channels that need to be created and maintained, decision making channels and even sales and marketing initiatives. The next structure is the Matrix which is mostly adapted by large companies which need to implement major diversity strategies because of the numerous products. The business is run as projects. It is said to be the most difficult to implement. The final structure presented by Pearson & Robinson (2000) is the product –team structure. In this structure it allocates people across different functions e.g. Operations, finance and sales to manage a process or product. This is caused by the rapid change witnessed in this very competitive 21st century.

As the SME continuously develop and grow, it is apparent for these companies to pay keen attention to how the growth strategies will impact the structure and how in turn the structure will influence the implementation process. As companies grow, the companies should ensure that the structure is in line with the strategies being enforced. Restructuring is a continuous process that neglecting it will cause grave consequences to the organization as it will not support the strategies being implemented.

2.2.1 Structure in the Top 100 SMEs

According to the ILO (2015) SME's are a major engine for job creation and that there is empirical evidence to affirm this. It is however noted that that there are diverse sectors as will be proven by the Top 100 SME survey. This truth makes it difficult to place a specific structure to all SME's especially those in different industries. It is also critical to note that not all SME's are at the same stage of growth. It is for this reason that the researcher settled for the Top 100 SME's which have a similar range in terms of their financial aspect.

As part of the requirement to participate in the survey, the company's turnover had to be between 70 million and 1 billion. Companies with such turnovers have diverse structures. Other requirements included the following; the companies needed to have audited accounts for the financial years ending 2012,2013 and 2014.The companies also were not to be listed in the Stock exchange and finally the banks, insurance companies, SACCO's, law firms and accounting and auditing firms (Icpak.com 2016). It is clear that from the

criteria provided above, this top 100 companies are not your average small businesses that would have simplified structures rather they are large companies that require a more detailed and complex structure that will be appropriate to the kind of business.

Chandler (1962) Pioneered in establishing a relationship between strategy and structure. He is famously known for the slogan, “structure follows strategy”. Although in other studies suggest that the structure might change or even integrate more than one dimension of structure because of the dynamism of the business environment in the 21st century. (Chandler 1962). Chandler’s analogy is still applicable in the current business world. According to Porter (1996) the structure of an organization remains significant as it represents how the business is divided into functional business units, it shows how it is organized, how information flows and how responsibilities are shared. This plays a key role especially when implementing strategy which in turn affects the performance of an organization.

2.2.2 Structure and Organizational performance in SME’s

According to Venkatraman, & Ramanujam, (1986) Organizational performance takes into consideration three key areas of a firm’s outcomes. They include; the company’s financial performance which looks at its profitability, return on assets and return on investments ratios. The second indicator is the product market performance, which looks into the market share of the company verses that of the whole industry and its sales margins. Finally, it looks into the shareholders returns which is the total shareholder return and the economic value added.

In this review the research identified from other papers that structure is an important aspect affecting how an organization performs. According to Chandler (1962), structure is one of the organization’s capability that needs to be enhanced as the organization grows of changes with the turbulent environment. Others include culture and systems. This will enable an organization to improve what he called the “fit” between the organization and strategy. Chandler (1962) during his research on growth and development of some four large American firms, established that that as these companies grew using a specific strategy they also implemented a different organizational structure. In this case the companies that went into product diversification implemented a divisional organizational structure.

One of the major decisions that a business owner has to make is designing the structure of the company. This could be through an intentional, deliberate or an unconscious development. The moment a firm employs a few staff, they have to start thinking of how the structure will look like because of issues such as reporting lines, distribution of responsibilities etc.

It is out of this realization that Chandler (1962) came up with two main dimensions of organizational structure which are activities and coordination of mechanism and distribution of tasks. But depending on how the business evolves different business will pick different structures. It was also noted that some businesses will have a mix of different structures, which will eventually form a unique distinct style. (Chandler 1962).

2.3 Influence of Leadership in Strategy Implementation

According to the Mckinseys 7-S Framework, that leadership is identified with Style rather than skill which is synonymous with management. It is Important to differentiate the two and non-other than a quote from John Kotter (1990) who said “Management is about coping with complexity and leadership is coping with change”. Whereas leadership is key, we find that most SME’s mix the two. Depending on the size of the organization in terms of number of employees or the revenue figures, you find that mostly the owners double up as the managers as well. This changes as the company enlarges making it impossible for one person to make decisions for the whole company. As the company grows the leader who might be the owner requires more people to help him develop more strategies to move the company to the next level. This is because as the company grows, the bigger the competition and the tougher the market penetration becomes. Basically the owner will need to focus more on strategic leadership which is intended to position the company.

The three key activities will include; communicating the strategic intent, developing the organization and shaping the organizational culture. The manager will be required to recruit other people to manage the complexities (Pearce & Robinson, 2001). The leader has the sole responsibility of ensuring that they set a clear vision of where the company is headed and they need to communicate effectively to the stakeholders. As the leader develops the organization, the most important activity in this regard will be to design a structure that will be necessary in strategy implementation. Finally, the leader must ensure that they represent the values and beliefs to ensure that the goals of the

organization are achieved. This will be important in shaping how work is done in the organization. The leader must lead by example.

Leadership's key responsibility in an organization is to codify and maintain an organization's vision, purpose and values (Jain, 2013). It sets the tone for the direction the company will take on its strategies and organizational culture. The leadership of the organization is significant during strategy implementation according to Root (2014) who emphasizes that this will bring cohesion among the teams. They are responsible for ensuring communication on the main vision is understood by the team and clear direction on delegated responsibilities and outcomes (Freedman, 2003). Strategy implementation in the dynamic market environment causes changes in the process and strategy may end up being emergent (Ansoff & McDonnell, 1990). This is what will drive productivity and innovation which will make the company have a competitive advantage over its competitors. This will only be possible with an exemplary leadership to drive the organization to change (Jain, 2013).

Aaltonen and Ika^ovalko (2002, p. 417) argued that the leaders have the role of initiating strategic communication, and this should evolve into being more of a "coach" responsible for building capabilities in his staff, performing a supportive and guiding role to his employees. Alexander (1985), in his empirical study of 93 firms he observed that the capabilities of employees involved were not sufficient and that leadership and direction was not applied. He also noted that the lower level employees were not given adequate training and instruction on the process. The leadership of the organization is the element that holds the structure, culture and strategy together. It is the glue that puts things together.

2.3.1 Leadership in the Top 100 SME's

Most SME's are started as an individual's business. According to Speculand (2009), the challenges of strategy implementation are taken lightly by these business owners. They delegate the responsibility to other people which leads to poor execution and ultimately leads to failed strategy. As we have identified from the Top 100 SME's, the companies have managed to grow in leaps and bounds. The companies had to have revenues ranging from Sh 70 million to 1 billion for the last three consecutive years and not listed in the stock exchange to participate in the survey (Gachuhi, 2016). This clearly shows that this particular companies have been able to execute their strategies with excellence. Bell

(2000) stated that the SME's owners need to be more of leaders than managers. Leadership is key in Strategy Implementation (Beer, 2000).

SME's are the greatest contributors towards most countries GDP's and through this, they boost national economies (Litan, 2015). This can only be so if there is good leadership which is the essence of strategic success (Jain 2013). This is because the leader's position gives him/ her a perfect view of the organization and they are able to provide strategic direction for transformation. According to Hernandez (2015), the leader must have built into and across a planning process for strategy execution. He goes ahead to explain how the strategy antecedents can be entrenched into the Strategy Implementation process.

The first responsibility of the leadership according to Hernandez (2015), is to align priorities of the organization and the key activities that need to be done. This is embedded on the structure of the organization. The leadership must ensure that there is a clear key performance indicator for the activities and a clear measurement tool. The second thing that the leadership must do is to align the budget and structures to each strategic goals. Chandler Alfred popularly stated that structure follows strategy, the third most important thing to do is to ensure that the structure of the organization follows the strategy that the organization is embarking on. Finally, he recommends that the strategy should be evaluated and monitored as the organization adapts to the turbulence in the environment

Mr. Wanjohi the CEO of Hipora which was one of the Top 100 SME's in 2016 told the Nation newspaper that their management style is both democratic and participative leadership. He mentioned that one of the reasons for their success is because of team work and the fact that they have an open door policy. The CEO also emphasized that he instilled a culture that embraced integrity, information sharing, shared values and quick turnaround. All this are part of the leadership's responsibility. It is clear that the company has been able to achieve success in revenue growth and a thriving business. It was also determined by Mr. Solomon Gitundu who is the managing Director of Soloh World Wide Enterprise (Third place during the Top 100 SME's Survey 2016) that several leadership skills have enabled rapid growth for his company. He said that shared vision for his company which is "To be a global leader in the Print Industry", hands on support, a continuous learning mindset and an adoption of a goal based management approach. (Business daily, 2016).

2.3.2 Leadership and Organizational performance in SME's

Empirical evidence by Franco and Bourne on the relationship between the personal values of manager's strategy adopted and the performance of the business found that certain profiles of personal values correspond to certain strategic orientation. Leadership certainly affect a lot of functions in an organization (Blackstone, Cox, and Schleier 2011; Kuei, Madu, and Lin 2011). According to Franco and Bourne (2003) leadership shoulders the main role of formulating strategy and implementing it. Del et.al (2008), emphasized that leaders must focus more on transformational rather than transactional leadership to achieve the desired performance. For an organization to achieve organizational competitiveness Freedman (2003) says that the leadership requires crucial skills and an appropriate management style that will much the desired culture.

Yaprak et.al (2011), emphasize that an alignment between strategy and the organization's structure and processes and rewards systems must be achieved during a strategy implementation process. The process must also be able to translate strategy into clear measures, allocate responsibilities and develop performance indicators (Cater and Pucko 2010). Clearly from the discussions we see that leadership plays a critical role in the Strategy process which is formulation and implementation. This can only be achieved by employing the transformational leadership style which is sensitive to issues concerning the organizational vision, culture, developing values, teamwork and service (Nicholson 2007). Transformational leadership is the most recommended style of leadership especially in SME's and entrepreneurship as Matzler et al. (2008) observed that they are very much related. They argued that the leaders was concerned with motivating the employees using intrinsic motivation as compared to Extrinsic rewards because the businesses are small and that they have limited financial resources.

The only way an organization's employees can work as a team to ensure that all the functions of the organization are fully operational and working flawlessly is when the leadership creates an environment where everybody plays there part (Asiimwe 2015). A great working environment where everybody's voice is heard, communication flows well and where the staff are encouraged to work and grow their careers makes it easy for the employees to perform at their optimum and this will eventually maximize the performance of the organization. Kotter (2008) emphasized that organization leadership must embrace practices such as continuous modification of the structure of the

organization, reinforcing the firms cultures, developing collaborative process to maintain the organization's competitiveness.

Finally, we see that the leadership has a greater responsibility of holding all other antecedents into place to ensure the organization performs to its optimum. It is clearly their responsibility to ensure that the structure of the organization supports the strategies implemented (Alexander 1985). It is also important to ensure that the culture that the organization adopts is in line with what the organization wants to achieve. All this can only be possible if the leadership or the organization plays its part as the glue that holds everything together. It is for this reason that the research will focus of what the leadership of the selected organization feedback on all the research objectives.

2.4 Influence of Culture in Strategy Implementation

Pearce & Robbinson (2001) states that Organizational culture are sets of assumptions that members of an organization shares. Schein 2010, Hofstede 2011, Kotter & Heskett 1992, view organizational culture as a Phenomenal approach which focuses on the study of culture; its nature, management and how it evolves. The other perspective by Denison & Mishra, 1995, view culture as a functional approach. In this perspective culture is based on the achievements the culture will bring to the organization. The culture is created to fulfill a certain purpose. Ogbonna and Harris (2000) observed that the dimensions of culture will be determined by the definition adopted by the scholar, it is for this reason that this study will adopt the functional approach as it focuses on the attainment of set performance (both financial and non-financial) of the Top 100 SME's in Kenya 2016.

Research has provided more evidence on barriers to successful implementation of strategy according to Beer and Eisenstat's (2000, p. 37). Some of these barriers include a laissez-faire leadership style, unclear strategic intentions, an untrained or incompetent senior management team, poor communication, lack of co-ordination of processes and a lack of appropriate leadership skills. In such an environment, strategy is bound to fail. Other researchers also identify a lack of understanding of strategy implementation processes, lack of clear communication of strategy to stakeholders, lack of clear responsibilities during the transition and a lack of clear analysis of the weaknesses and threats (Corboy & O'Corrbui 1999, p. 29). It is however acknowledged that the above are not the major barriers to effective strategy implementation (Aaltonen and Ika°valko, 2002). The researchers noted that the barriers were more cultural and behavioral such as

commitment and diminishing feeling of ownership. (Aaltonen and Ika^ovalko, 2002; Franco and Bourne, 2003).

The culture of an organization really is an important aspect and determinant of whether an organization succeeds or fails. Pearce and Robinson (2001) defines organizational culture as a set of important shared assumptions usually unstated and shared by members of an organization. There are some organizations which will adopt a culture of continuous improvement and risk taking. This type of orientation is commonly seen with technology companies because of the continuous improvement and very high competition. Their environment is known to be very volatile. Other companies will adapt a culture where people are afraid to make mistakes and are more rigid such as financial institutions and insurance firms. According to Pearce and Robinson (2001) leaders use structure and reward systems to shape the organizations culture.

According to Challis et al (2005), the responsibility of developing cohesion among different organizational divisions and influencing a culture of inclusion, improvement and learning lies on the leadership. The whole organization must share common beliefs and aspirations about the organization and its future direction (Vargo et.al, 2011). Clearly the three antecedents cannot be treated in isolation, they are all intertwined.

2.4.1 Culture in the Top 100 SMEs

More and more of the African countries are recognizing that SMEs are productive drivers of economic growth and development. In Nigeria, the SME's account for 70% of the manufacturing sector. (Frimpong, 2013). He continues to say that SMEs serve as an impetus for economic diversification. They help create new and novel sectors of the economy. The SMEs provide a platform for expanding outside of domestic and international markets especially with the innovation and technology. (Frimpong, 2013). In most countries SME's account for around 50% of job creation. Frimpong (2013) observed that in Tanzania, the SME sector accounts for a third of the GDP of the country which is very impressive.

It is important to owners of an organization to bring in managers whose personality is similar with the type of culture they would want to create in an organization. This is because the culture developed will be the shared assumptions i.e. the values and beliefs and will influence how people do things in the organization. Kimuyu (2007) noted that in

Africa organizations are widely affected by corruption. So if the managers of an organization are seen to be corrupt and they instruct their employees with words like “Do anything you can so long as we get that deal,” then it becomes like a rubber stamp and a go ahead for the employees to become corrupt. They will do anything they can, whether good or bad and they will go to any extent to ensure a deal goes through. So eventually, the organizations moral fabric will begin to decay and the employees will also begin doing the same in the organization and this eventually will cost the organization dearly. According to the research by Kimuyu (2007), firms that were highly exposed to this vice were in Nairobi and Nakuru. He noted that it is crucial for leaders to understand the culture of an organization and also to be able to identify what type of culture they would like to create to be able to achieve strategic outcomes. Jain (2013) emphasized that the essence of strategic success is the key role of leaders to position the organization and transform it to where it needs to be because they are best positioned.

It was noted that one of the biggest reasons for most SMEs failure and lack of implementation is rooted in the company’s culture (Mintzberg 1978). It would be difficult to implement a company’s strategies if the company has a weak culture. This will definitely cause a big rift between the employees of the organization because there will be a breakage in communication. Since culture determines even how the employees communicate with each other and with their customers, a lack of strong culture will definitely hurt the organization in the long run (Asiimwe 2015).

From the literature presented it is clear that Culture is a key determinant of the success of an organization. Jain (2013) claims that the most effective way for an organization to achieve competitive advantage is by aligning its culture with its designed strategies. Quinn and Strategy (2013) concluded that the culture of an organization affects the employee’s motivation, decision making processes, attitude towards work and risk which are key towards the growth and performance of the organization.

2.4.2 Culture and Organizational performance in SMEs

The organizational performance depends on how the culture of an organization is aligned to the vision and mission of the organization. (Magaisa, Matipira & Kanhai, 2014). It is imperative for everyone in the organization to share norms and values of the organization. According to (Michlitsch 2000), they should align the business goals to their own personal goals. This means that only those who know that when the business prospers

then they will also prosper in one way or another prosper. He continues to say that this can only be possible if the business objectives are clearly laid out to all the employees and that they are given an environment where they are able to work well to achieve those objectives.

Different organizations have different orientation of cultures. This is mostly determined by the owner of the company especially in SMEs. Some might have cultures that are liberal and encourage innovation, some might be very rigid and less inclined to risk-taking, others may be proactive and others react to crisis (Edinger 2012). This has a great impact on the organization's performance as it will determine how competitive the organization will be in the market. If the organization is not as proactive and not interested in what the customers require, then in time the company will not be able to compete. This is clearly a cultural problem.

The attitudes and behaviors of an organization are significantly influenced by the culture it has adopted. It was established that organizations culture is a significant factor in the organizations profitability. This could be measured in terms of the sales margins of the organization and the size of the organization. Another author Scholz (1987) who is also a pioneer in determining the relationship between culture and performance said that culture is key in ensuring that the organization has a competitive advantage.

There are numerous dimensions of culture in an organization that have been suggested by different researchers. Hofstede 2011, who suggested four dimensions namely masculinity vs. Femininity, collectivism vs. individualism, power distance and uncertainty avoidance. Robbins (2003) suggested seven dimensions which are attention to details, status quo, risk taking among others. Schein (2010) came up with three dimensions and they are shared values, explicit behaviors and signs. Whichever cultural orientation an organization decides to adopt, it is key for the leadership to ensure it will eventually lead to the organization to its desired destination as it is the glue that holds together people working together and to ensure that they have a great working experience.

2.5 Chapter Summary

A literature review has been illustrated on the objectives of these study in this chapter. The objectives of the study include the influence of structure, culture and leadership on strategy implementation. A link between the objectives to the performance of SMEs in Kenya, was established. The methodology that will be used during this study will be

provided in chapter 3. This will include a detailed description of the research design, sampling and population design, data collection methods, research procedures, a data analysis method and final a chapter summary.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

The Chapter provides the research methodology relevant for this study. The emphasis is laid on the research design, the target population and sample, the research procedures, data collection methods and data analysis to be used will be highlighted.

3.2 Research Design

According to Saunders et, al. (2012), research design shows clearly how the research will address the research questions. Activities incorporated include; how the data will be collected, which sources will be used to collect the data and analysis procedures. The researcher's selected research design is descriptive design. This is because the researcher seeks to get questions answered over a wide range of research question. The design helps the research in describing the characteristics of the particular variables in relation to the performance of the organization. Beri, (2013) the variables under study included the following' Independent variables are organizational structure, leadership and organizational culture. The dependent variable was the organizational performance. The researcher used a survey method which was in form of a questionnaire. It had standardized questions which were administered for data collection.

3.3 Population and Sampling Design

3.3.1 Population

In research as described by Mugenda and Mugenda (2003) refers to the whole group or area that has the observation characteristics. He also said that the target population was the area within the population that has been selected by the researcher for study. It could be selected through sampling and should be able to give a clear picture of the whole population (Saunders et, al. (2012) The research's population was based on the top management preferably the CEO's of the Top 100 SME's in Kenya as indicated in table 3.1 Below.

Table 3.1: Population

Region	Total Companies
Nairobi	84
Mombasa	10
Naivasha	1
Kisumu	2
Nakuru	4
Total	100

3.3.2 Sample Design

This section of the sample design illustrates the sample frame, sample size and the sample technique that was employed by the researcher.

3.3.2.1 Sampling Frame

Blumberg, Cooper and Shindler (2014) said that the sample frame is the full and complete list of the elements e.g. Companies, where the sample will be drawn from. It is very useful because it saves time, reduces costs. It's closely related to the population. It could either be the whole population or part of the population. Research focused on only the management of the SME's in Nairobi Country that were part of the Top 100 SME's selected in 2016.

3.3.2.2 Sampling Techniques

The technique refers to the method used to select a particular sample from a given population that will be used during the research the two methods identified include probability and non- probability sampling. This is applicable when the size is vast and there is need for selection of a smaller population to save time and costs. It is noted that the Top 100 SME' all are from different industries. Despite this fact, the research chose to do a census on all the 84 companies that are in Nairobi Country. This is because the information required could be provided by the Top management of the companies. In this case there will be no need to describe a sample technique because the whole sample frame was chosen.

3.3.2.3 Sample Size

The sample size is defined by Blumberg, Cooper and Shindler (2014) as the smaller set of the whole population. It has been established that when doing a quantitative survey it is important to determine an accurate sample size to ensure that you get accurate results. Mugenda and Mugenda (2003) argued that it is critical to select a sample size that will be representative of the whole population. It is therefore critical to identify a method that will work best for your research. Some of the formulae's used in previous research include, Yamane (1967). It is a scientific formulae which is simple and can be used in larger populations. After careful evaluation the researcher considered using the whole population of 84 companies. As explain earlier the information can easily be gotten from the Top management of the company. The sample size was therefore 84 companies from the Top 100 SME's selected in 2016.

3.4 Data Collection Methods

According to Cooper and Schindler (2014), data collection entails, the different techniques that are used by a researcher to gather data that can be used during analysis. This data is collected from the target population. It could either be primary or secondary data. The study will focus on primary data which will be collected from the target population, using questionnaires which have closed ended questions that have been designed in line with each of the research objectives. The questions used a likert scale for ranking (Strongly disagree to Strongly Agree (Collins and Hussey, 2013).

The questionnaire was divided as follows; The first section was on the background information of the respondent, The second section was on the influence of the firms structure in strategy implementation, The third section was on the influence of leadership on strategy implementation, the fourth part was on the influence of culture on strategy implementation and finally the impact of the strategy implementation on the firms performance. The questionnaire was presented to the respondent as well as emailing it.

3.5 Research Procedures

A pretest was done once the questionnaire was developed to ensure that the tool was reliable and valid in the real research to avoid the misuse of resources. Consultation was therefore done with the supervisor to ensure that the tool is authentic and that it will

provide the data required. Blumberg et,al, (2008) emphasized that it is critical for the instrument to be valid for any research and must have the acceptable standards.

The pretest was done by ten respondents who are familiar with the area of SME's and strategy implementation. This was done to ensure that the questions were well understood, and also to determine how long the respondent would take to ensure the questions. To ensure confidentiality to the respondent, a cover later was attached on the questionnaire stating the objectives of the research and the significance of the research.

3.6 Data Analysis Method

Quantitative Data analysis involves reorganizing the raw data into frequency distribution charts, tables and analysis of percentages. Some of the analysis in the descriptive statistics will be in form of means, standard deviation and frequencies. Correlations were done between the dependent and independent variables to test their relationships. The sturdy used the computer statistical package for social scientist (SPSS). The sturdy also used Pearson correlation matrix which helped the researcher establish relationships strengths, and significance. It will have a 5% level of significance.

The regression equation as illustrated below was established:

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

$$Y = 1.761 + 0.574X_1 - 0.049X_2 + 0.078X_3 + 0.378$$

Where:

Y is the dependent variable (organization performance);

β_0 is the regression constant;

$\beta_1, \beta_2, \beta_3$ and β_4 are the coefficients of independent variables;

X_1 is the structure;

X_2 is factors that determine leadership;

X_3 is culture; and

ε is the error term.

3.7 Chapter Summary

The chapter has provided a clear research methodology that will be used during the research. A descriptive research designed was selected for use. The chapter also outlined the population and sample size for the study. A questionnaire was used as the data collection tool during the study. Finally the analysis used a computer aided research

instrument commonly known as SPSS. The next chapter present the results and findings of the analyzed data from SPSS. It will present in the form of tables and figure for ease of interpretation.

CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the results established from the data analysis done. This included results relating to the demography and specific research objectives aimed at influence of strategy implementation antecedents on organizational performance.

4.1.1 Response Rate

The research issued a total of 84 questionnaires and a total of 80 were filled and returned giving a response rate of 95%. This was sufficient for the study as indicated in table 4.

Table 4.1: Response Rate

Variable	Frequency	Percentage
Filled and returned	80	95
Non-response	4	5
Total	84	100

4.2 General Information

4.2.1 Gender

To analyze the gender, the result established that majority of respondents accounting for 60% were male while 40% were female as shown in figure 4.1 below. This implies that in the various sectors, issues of gender balance is considered.

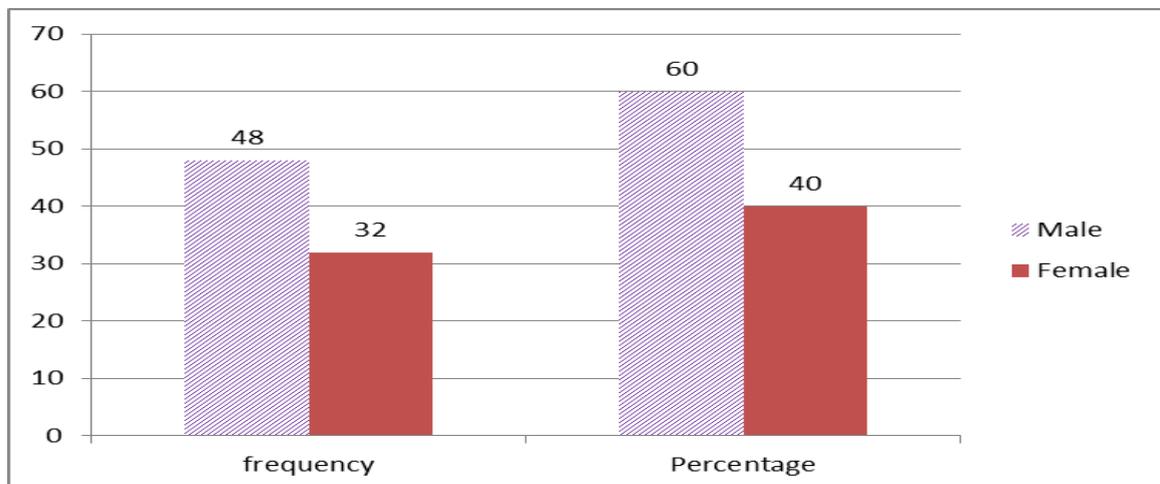


Figure 4.1: Gender

4.2.2 Education

To analyze the education, the result established that majority of respondents were masters degreeholders accounting for 41.3, undergraduates were 23.8%, Diploma holders were 23.8% while certificate holders were 11.3% as indicated in figure 4.2 below. This implies that in the respondents were literate enough to comprehend the questions asked.

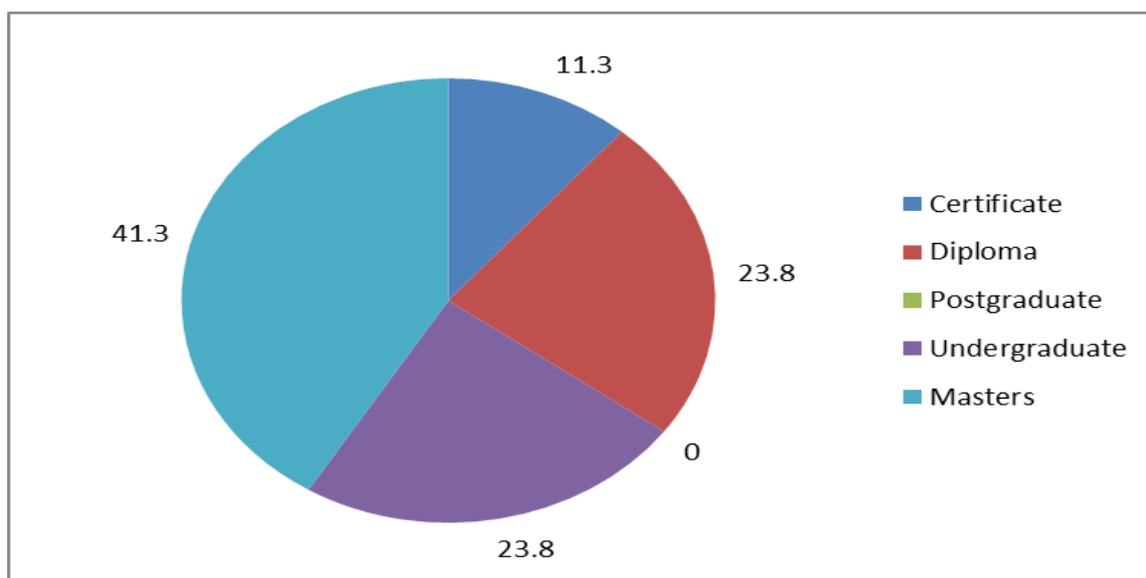


Figure 4.2: Education

4.2.3 Age

To establish the age of the respondents, the findings revealed that majority of the respondents were aged between 25-35 years and 36-45 years and accounted for 50% of respondents respectively, Those below 25 and above 46 did not receive any response as shown in Table 4.2.

Table 4.2: Age

Variable	Frequency	Percent
Less than 25 years	0	0
25-35 years	40	50.0
36-45 years	40	50.0
46 and above	0	0
Total	80	100.0

4.2.4 Ownership

To establish the ownership, the findings revealed that majority of the respondents were not the owners of the firms and accounted for 76.3% of respondents while owners were only 23.7% as shown in Figure 4.3.

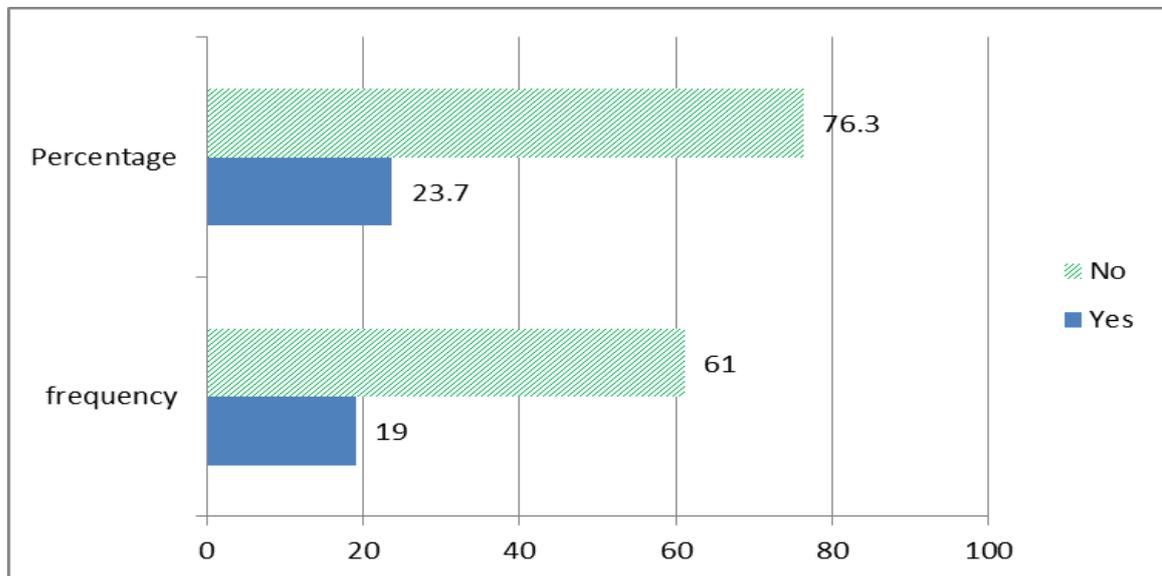


Figure 4.3: Ownership

4.2.5 Years of Operation

To establish the years that the firms have been operating, the findings revealed that majority of the firms have been around for 7-10 years and accounted for 57.5%, those of 15 years and above represented 36.3% while those of 11-14 years accounted for 6.3%. Those of less than 3 years and 3-6 years had no response as shown in table 4.6

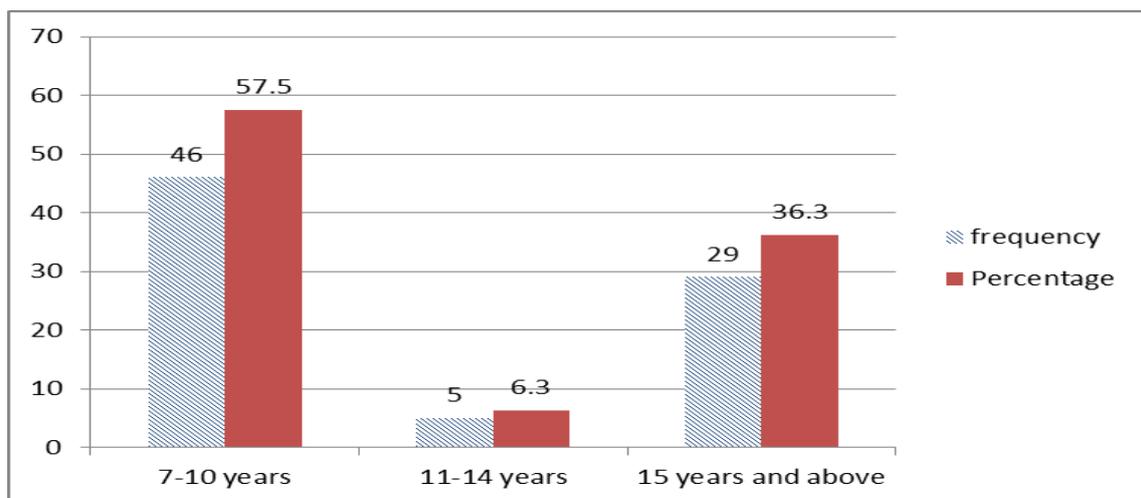


Figure 4.4: Years of Operation

4.2.6 Nature of Business

Analysis of the nature of business indicated that most firms were in the ICT sector and accounted for 42.5%, service industry accounted for 17.5% while hospitality was 16.3%. It was also established that trade and retail was 12.5%, commercial was 11.3% and construction had no response as indicated in table 4.3

Table 4.3: Nature of Business

Variable	Frequency	Percent
Commercial	9	11.3
Service	14	17.5
Trade and Retail	10	12.5
ICT	34	42.5
Hospitality	13	16.3
Construction	0	0
Total	80	100.0

4.2.7 Number of Employees

Analysis of the Number of employees revealed that most firms had over 71 employees accounting for 33.8%, those with less than 20 employees accounted for 31.3%, firms with 41-70 employees were 22.5%. Firms with between 21-30 and 31-50 had no response as indicated in Figure 4.5

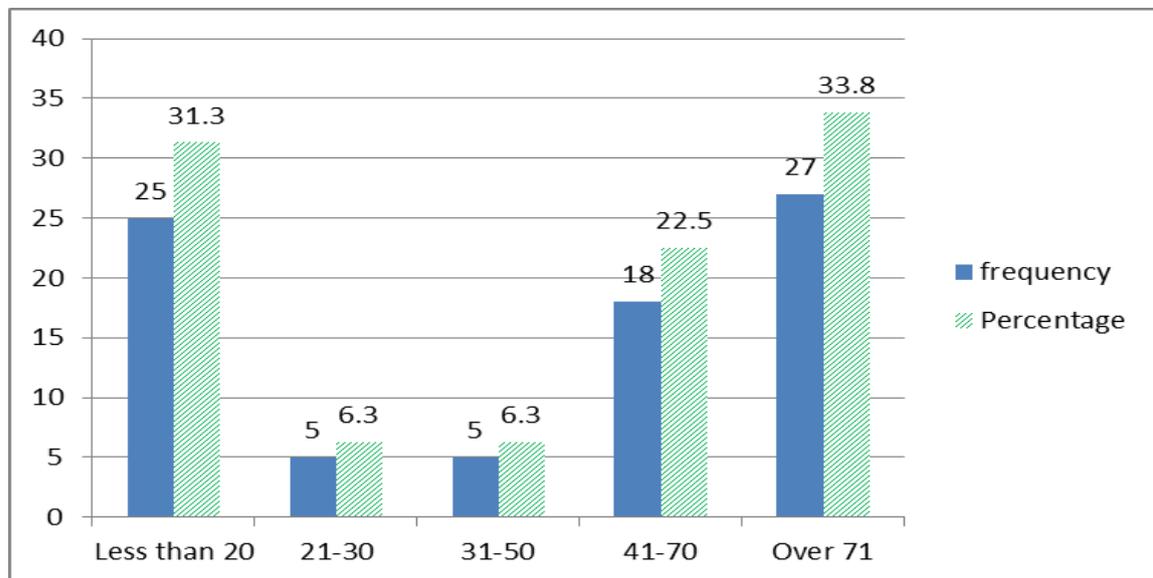


Figure 4.5: Number of Employees

4.3 Influence of Firms Structure on Strategy Implementation

The first objective set to establish how firm structure influence strategy implementation and organizational performance. Respondents were asked a set of questions to indicate to what extent they agree or disagreed with statement. Using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree

4.3.1 Descriptive of Firms Structure and Organizational Performance

The findings revealed that the organization formation is formal process (m=4.20, sd=1.130) and the organizational structure is influenced by business type (m=4.56, sd=.613). It was also revealed that current structure creates an atmosphere that allow for innovation (m=4.40, sd =.922) and the structure can either promote or impede successful strategy implementation (m=4.38, sd=.682).

The findings also show that organizational structure affects efficiency (m=4.28, sd=.573) and the structure of the firm affects the organizational performance (m=3.95 1, sd=.090). It was also established that a majority revealed that the organizational structure is determined by the owner during strategy implementation (m=3.94, sd= .998) and the structure enable employees to share ideas with top management (m=3.93, sd=.725). In addition, employees involved in structure formation (m=3.70, sd=0.96) as shown in table 4.4.

Table 4.4: Descriptive on of Firms Structure and Organizational Performance

Variable	1	2	3	4	5	M	sd
Formation is formal	0	12.5	17.5	7.5	62.5	4.20	1.130
Structure influenced by business type	0	0	6	31	63	4.56	.613
Structure established during strategy implementation	0	17.5	0	53.8	28.8	3.94	.998
Structure influence implementation	0	0	11.3	40	48.8	4.38	.682
Employees involved in structure formation	0	17.5	12.5	52.5	17.5	3.70	.960
Structure affect performance	6.3	0	23.8	32.5	37.5	3.95	1.090
Structure affect efficiency	0	0	6.3	60	33.8	4.28	.573
Structure enable employees share ideas with top management	0	0	30	47.5	22.5	3.93	.725
Current structure allow for innovation	0	6.3	11.3	18.8	63.8	4.40	.922

Key: 1=Strongly Disagree; 2= Disagree; 3=Neutral; 4=Agree; 5=Strongly Agree; M=Mean; sd= Standard Deviation

4.3.2 Correlation of Firms Structure and Organizational Performance

A Pearson correlation analysis was done to establish the relationship between firm's structure and organizational performance. The result established a positive relationship between the dependent variables (formal process, business type, strategy implementation, strategy success, and structure formation) and the independent variable (organizations performance). The business type ($r=0.429$, $p=0.000$), strategy success ($r=0.241$, $p=0.031$) and structure formation ($r=0.477$, $p=0.000$) had a significant correlation with organizations performance as indicated in table 4.5.

Table 4.5: Correlation of Firms Structure and Organizational Performance

		Organization Performance	B1	B2	B3	B4	B5
B1	Pearson Correlation	.164	1				
	Sig. (2-tailed)	.147					
B2	Pearson Correlation	.429**	.567**	1			
	Sig. (2-tailed)	.000	.000				
B3	Pearson Correlation	.216	-.326**	-.045	1		
	Sig. (2-tailed)	.054	.003	.690			
B4	Pearson Correlation	.241*	.181	.185	.221*	1	
	Sig. (2-tailed)	.031	.109	.100	.049		
B5	Pearson Correlation	.477**	.243*	.204	.324**	.348**	1
	Sig. (2-tailed)	.000	.030	.069	.003	.002	
	N	80	80	80	80	80	80
**. Correlation is significant at the 0.01 level (2-tailed).							
*. Correlation is significant at the 0.05 level (2-tailed).							

Key B1= Formal process; B2=Business type; B3=Strategy Implementation, B4=Strategy success; B5=Structure formation

4.4 Influence of Leadership on Strategy Implementation

The second objective set to establish how firm leadership influence strategy implementation and organizations performance. Respondents were asked a set of questions to indicate to what extent they agree or disagreed with statement. Using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree.

4.4.1 Descriptive on of Firms Leadership and Organizational Performance

The finding revealed that majority of the respondents agreed that the leadership is highly trained and competent ($m=4.04$, $sd= .878$) and the leadership influence strategy implementation ($m=4.58$, $sd=.497$). It was also revealed that leadership aid employee efficiency ($m=4.45$, $sd=.614$) and current leadership allow for innovation ($m=4.40$, $sd=.493$). The finding also indicated that leadership affect performance ($m=4.35$,

sd= .915) and the leadership has enabled employees to share ideas with top management (m=4.28, sd=.573), while employees convey ideas to leadership (m=4.15, sd=.713). Majority also agreed that leadership was influenced by business type (m=3.89, sd=.827) and the leadership is established by the owner during strategy implementation (m=3.58, sd=1.100) as indicated in table 4.6

Table 4.6: Descriptive of Firms Leadership and Organizational Performance

Variable	1	2	3	4	5	M	sd
Leadership trained and competent	0	6.3	17.5	42.5	33.8	4.04	.878
Leadership influenced by business type	0	0	40	31.3	28.8	3.89	.827
Leadership established during strategy implementation	0	23.8	18.8	33.8	23.8	3.58	1.100
Leadership influence strategy implementation	0	0	0	42.5	57.5	4.58	.497
Employees convey ideas to leadership	0	0	18.8	47.5	33.8	4.15	.713
Leadership affect performance	0	6.3	11.3	23.8	58.8	4.35	.915
Leadership aid employee efficiency	0	0	6.3	42.5	51.3	4.45	.614
Leadership enable employees share ideas with top management	0	0	6.3	60	33.7	4.28	.573
Current Leadership allow for innovation	0	0	0	60	40	4.40	.493

Key: 1=Strongly Disagree; 2= Disagree; 3=Neutral; 4=Agree; 5=Strongly Agree; M=Mean; sd= Standard Deviation

4.4.2 Correlation of Firms Leadership and Organizational Performance

A Pearson correlation analysis was done to establish the relationship between firm's leadership and organizational performance. The result established a positive relationship between the dependent variables (competence, business type, strategy implementation, strategy success, shared ideas) and the independent variable (organizational performance). The business type ($r=0.329$, $p=0.003$), strategy success ($r=0.748$, $p=0.000$) and shared ideas ($r=0.761$, $p=0.000$) had a significant correlation with organizational performance as indicated in table 4.7.

Table 4.7: Correlation of Firms Leadership and Organizational Performance

		Organization performance	C1	C2	C3	C4	C5
C1	Pearson Correlation	.004	1				
	Sig. (2-tailed)	.971					
C2	Pearson Correlation	.329**	.145	1			
	Sig. (2-tailed)	.003	.198				
C3	Pearson Correlation	.132	.095	.323**	1		
	Sig. (2-tailed)	.242	.400	.004			
C4	Pearson Correlation	.748**	-.108	.436**	.661**	1	
	Sig. (2-tailed)	.000	.340	.000	.000		
C5	Pearson Correlation	.761**	.052	.115	-.240*	.360**	1
	Sig. (2-tailed)	.000	.650	.310	.032	.001	
N		80	80	80	80	80	80
**. Correlation is significant at the 0.01 level (2-tailed).							
*. Correlation is significant at the 0.05 level (2-tailed).							

Key C1=competence, C2=business type, C3=strategy implementation, C4=strategy success, C5=shared ideas

4.5 Influence of Firms Culture on Strategy Implementation

The last objective set to establish how firm culture influence strategy implementation and organizations performance. Respondents were asked a set of questions to indicate to what extent they agreed or disagreed with statement. Using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree.

4.5.1 Descriptive on Firms Culture and Organizational Performance

Most respondents agreed that the success of strategy implementation lies on the firm's ability to transform learning to action (m=4.53, sd= .779) and culture affect performance (m=4.53, sd=.503). In addition, culture aid employee efficiency (m=4.39, sd=.606) and it also affect strategy implementation (m=4.34, sd=.762).

Majority of respondents revealed that culture of innovation is the engine of successful strategy implementation (m=4.15, sd=.781) and at the same time culture enable employees share ideas with top management (m=4.09, sd=.679) and this is mostly influenced by the business type (m=4.05, sd=1.054). The study also established that organizational culture formation is deliberate and formal (m=4.03, sd=1.232). Lastly majority were uncertain that culture in the firm is established during strategy implementation (m=3.50, sd= 1.191) as shown in table 4.8

Table 4.8: Descriptive on Firms Culture and Organizational Performance

Variable	1	2	3	4	5	M	sd
Organization culture formation is deliberate and formal	6.3	6.3	17.5	18.8	51.3	4.03	1.232
Culture influenced by business type	0	17.5		42.5	40	4.05	1.054
Culture established during strategy implementation	0	23.8	36.3	6.3	33.8	3.50	1.191
Culture affect strategy implementation	0	0	17.5	31.3	51.3	4.34	.762
Success of strategy implementation lies on the firm's ability to transform learning to action	0	0	17.5	12.5	70	4.53	.779
Culture affect performance	0	0	0	47.5	52.5	4.53	.503
Culture aid employee efficiency	0	0	6.3	48.8	45.0	4.39	.606
Culture enable employees share ideas with top management	0	0	18.8	53.8	27.5	4.09	.679
Culture of innovation is the engine of successful strategy implementation	0	0	23.8	37.5	38.8	4.15	.781

Key: 1=Strongly Disagree; 2= Disagree; 3=Neutral; 4=Agree; 5=Strongly Agree;

4.5.2 Correlation of Firms Culture and Organizational Performance

A Pearson correlation analysis was done to establish the relationship between the firm's culture and organizational performance. The result established a positive relationship between the dependent variables (formal process, business type, strategy implementation, strategy success, and transformation of learning to action) and the independent variable (organization performance). The formal process ($r=0.273$, $p=0.014$), business type ($r=0.464$, $p=0.000$), strategy success ($r=0.668$, $p=0.000$) and shared ideas ($r=0.761$, $p=0.000$) and transformation of learning to action ($r=0.747$, $p=0.000$) had a significant correlation with organizational performance as indicated in table 4.9

Table 4.9: Correlation of Firms Culture and Organizational Performance

		Organization performance	D1	D2	D3	D4	D5
D1	Pearson Correlation	.273*	1				
	Sig. (2-tailed)	.014					
D2	Pearson Correlation	.464**	.135	1			
	Sig. (2-tailed)	.000	.231				
D3	Pearson Correlation	.072	.311**	.524**	1		
	Sig. (2-tailed)	.525	.005	.000			
D4	Pearson Correlation	.668**	.274*	.562**	.565**	1	
	Sig. (2-tailed)	.000	.014	.000	.000		
D5	Pearson Correlation	.747**	.382**	.183	.191	.764**	1
	Sig. (2-tailed)	.000	.000	.103	.090	.000	
N		80	80	80	80	80	80
*. Correlation is significant at the 0.05 level (2-tailed).							
**. Correlation is significant at the 0.01 level (2-tailed).							

Key D1=formal process, D2=business type, D3=strategy implementation, D4=strategy success, and D5=transformation of learning to action.

4.6 Regression Analysis

4.6.1 Model Summary

The research analyzed relationship between the dependent variable (organization performance) against other core factors (Structure, Leadership and culture). The results showed that the R^2 value was 0.412 hence 41.2% of the variation in organizations performance was explained by the variations in structure, leadership and culture as illustrated in table 4.10.

Table 4.10: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.642 ^a	.412	.389	.37846	.412	17.745	3	76	.000

a. Predictors: (Constant), culture, structure, leadership

4.6.2 Anova Analysis

An ANOVA analysis was done between (organization performance) against other core factors (Structure, Leadership and Culture) at 95% confidence level, the F critical was 17.745 and the P value was (0.000) therefore significant the results are illustrated below in table 4.11.

Table 4.11: Anova

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.625	3	2.542	17.745	.000 ^b
	Residual	10.886	76	.143		
	Total	18.511	79			

a. Dependent Variable: overall performance
b. Predictors: (Constant), culture, structure, leadership

4.6.3 Coefficient of Organization Performance and Co Factors

The regression equation illustrated in Table 4.12 below established that taking all factors into account (Structure, Leadership and Culture) and all other factors held constant organization performance increases by 1.761.

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

$$Y = 1.761 + 0.574X_1 - 0.049X_2 + 0.078X_3 + 0.378$$

Where:

Y is the dependent variable (organization performance);

β_0 is the regression constant;

$\beta_1, \beta_2, \beta_3$ and β_4 are the coefficients of independent variables;

X_1 is the structure;

X_2 is factors that determine leadership;

X_3 is culture; and

ε is the error term.

Table 4.12: Coefficient of Organization Performance and Co Factors

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.761	.401		4.390	.000
	Structure	.574	.126	.609	4.561	.000
	Leadership	-.049	.219	-.048	-.225	.823
	Culture	.078	.117	.115	.668	.506

4.7 Chapter Summary

This chapter has highlighted results and findings. The first section provided an analysis of demographic data of the respondents, the second part sought to determine the influence of firm's structure in strategy implementation on organisational performance. The third part was meant to determine the influence of leadership in strategy implementation on organisational performance. While the last part was aimed at establishing the influence of firms culture in strategy implementation on organisational performance. Descriptive statistics such as mean, standard deviation and frequency distribution were analysed as well as inferentials in the form of correlation and regression. In chapter five these results

will be discussed and relevant conclusions and recommendations made with regard to SME performance in Kenya.

CHAPTER FIVE

5.0 DISCUSSION RECOMMENDATION AND CONCLUSION

5.1 Introduction

This chapter presents the discussion, recommendation and conclusion based on the literature review which was aimed at determining the influence of strategy implementation antecedents on organizational performance. This is organized based on the specific research questions which sought to establish how influence of firms structure, influence of leadership and the influence of firms culture in strategy implementation on organizational performance.

5.2 Summary of Findings

The purpose of this study was to determine the influence of strategy implementation antecedents on organizational performance. This study was guided by the following specific objectives: To determine the influence of firm's structure in strategy implementation on organizational performance, to determine the influence of leadership in strategy implementation on organizational performance and to determine the influence of firms culture in strategy implementation on organizational performance.

The researchers selected a descriptive research design. The design sought to determine the characteristics of the particular variables in relation to the performance of the organization. The variables under study included the following' Independent variables are organizational structure, leadership and organizational culture. The dependent variable was the organizational performance. The research's population was based on the top management preferably the CEO's of the Top 100 SMEs in Kenya. The research chose to do a census on all the 100 companies that are in Nairobi Country. This is because the information required could be provided by the top management of the companies. In this case there will be no need to describe a sample technique because the whole sample frame was chosen. The study focused on primary data collected from the target population, using questionnaires with closed ended questions designed in line with each of the research objectives. The questions used a likert scale for ranking.

Correlations were done between the dependent and independent variables to test their relationships. The study used the computer statistical package for social scientist (SPSS). The study also used Pearson correlation matrix which helped the researcher establish relationships strengths, and significance based on a 5% level of significance.

Analysis of the variables of structure revealed that organization formation is a formal process and the organization structure is influenced by business type. It was also revealed that current structure creates an atmosphere that allows for innovation and the structure can either promote or impede successful strategy implementation. The findings also show that organizational structure affects efficiency and the structure of the firm affects the organization performance. It was also established that a majority revealed that the organization structure is determined by the owner during strategy implementation and the structure enables employees to share ideas with top management. In addition, employees are involved in structure formation. A Pearson correlation analysis was done to establish the relationship between firms' structure and organizational performance. The result established a positive relationship between the dependent variables (formal process, business type, strategy implementation, strategy success, and structure formation) and the independent variable (organization performance). The business type ($r=0.429$, $p=0.000$), strategy success ($r=0.241$, $p=0.031$) and structure formation ($r=0.477$, $p=0.000$) had a significant correlation with organization performance.

Analysis of the firm's leadership revealed that majority of the respondents agreed that the leadership is highly trained and competent and the leadership influences strategy implementation. It was also revealed that leadership aids employee efficiency and current [leadership allows for innovation. The finding also indicated that leadership affects performance and that the leadership has enabled employees to share ideas with top management, while employees convey ideas to leadership. Majority also agreed that leadership was influenced by business type and the leadership is established by the owner during strategy implementation.

A Pearson correlation analysis was done to establish the relationship between firms' leadership and organizational performance. The result established a positive relationship between the dependent variables (competence, business type, strategy implementation, strategy success, shared ideas) and the independent variable (organization performance). The business type ($r=0.329$, $p=0.003$), strategy success ($r=0.748$, $p=0.000$) and shared ideas ($r=0.761$, $p=0.000$) had a significant correlation with organizations performance.

An analysis of the influence of culture on strategy implementation revealed that most respondents agreed that the success of strategy implementation lies on the firm's ability to

transform learning to action and culture affect performance. In addition, culture aids employee efficiency as well as affecting strategy implementation. Majority of respondents revealed that culture of innovation is the engine of successful strategy implementation and at the same time culture enable employees share ideas with top management and this is mostly influenced by the business type. The study also established that organization culture formation is deliberate and formal. Lastly majority were uncertain that culture in the firm is established during strategy implementation.

A Pearson correlation analysis was done to establish the relationship between firms' culture and organizational performance. The result established a positive relationship between the dependent variables (formal process, business type, strategy implementation, strategy success, and transformation of learning to action) and the independent variable (organization performance). The formal process ($r=0.273$, $p=0.014$), business type ($r=0.464$, $p=0.000$), strategy success ($r=0.668$, $p=0.000$) and shared ideas ($r=0.761$, $p=0.000$) and transformation of learning to action ($r=0.747$, $p=0.000$) had a significant correlation with organizations performance.

The research analyzed relationship between the dependent variable (organization performance) against other core factors (structure, leadership and culture). The results showed that the R^2 value was 0.412 hence 41.2% of the variation in organization performance was explained by the variations in structure, leadership and culture.

5.3 Discussion

5.3.1 Influence of Firms Structure on Strategy Implementation

Analysis of the variables of structure revealed that organization formation is formal process and the organizations structure is influenced by business type. One of the major decisions that a business owner has to make is designing the structure of the company (Beer 2000). This could be through an intentional, deliberate or a subconscious development. The moment a firm employs a few staff, they have to start thinking of how the structure will look like because of issues such as reporting lines, distribution of responsibilities etc.

It was also revealed that current structure creates an atmosphere that allows for innovation. ILO (2015) notes that SMEs are a major engine for job creation and that there is empirical evidence to affirm this. It is however noted that that there are diverse sectors

as will be proven by the Top 100 SME. This truth makes it difficult to place a specific structure to all SMEs especially those in different industries. It is also critical to note that not all SME's are at the same stage of growth. It is for this reason that the researcher settled for the Top 100 SME's which have a similar range in terms of their financial aspect.

This study also revealed that the structure can either promote or impede successful strategy implementation. Pearson and Robinson (2000) asserts that managers have learnt that the right structure will help in the successful implementation of Strategy and that if the Structure does not adapt with the strategies put in place then it is bound to fail in the implementation.

The findings also show that organizations structure affects efficiency and the structure of the firm affects the organizations performance. . Pearson and Robinson (2000) also established similar results and he explained that this was attributed to the fact that organizational structure involves the totality of connections and relationships between all the factors of production, as well as the totality of connections and relationships within each factor of production or operations.

It was also established that a majority revealed that the organization structure is determined by the owner during strategy implementation and that the structure enables employees to share ideas with top management. Chandler (1962) came up with two main dimensions of organizational structure which are activities and coordination of mechanism and distribution of tasks. But depending on how the business evolves different business will pick different structures. It was also noted that some business will have a mix of different structures, which will eventually form a unique distinct style. (Chandler 1962).

In addition, the findings also reveal that employees involved were critical in the structure formation. This is in line with Reed (1988) who noted that the company are able to successfully fulfill their tasks and economic objectives as long as the employees are involved and as people participate actively in the company the means of production are a passive participant in the production. But the fundamental problem that occurs in every company is how to establish a successful organization of human resources in a way to satisfy the common and personal interests

A Pearson correlation analysis was done to establish the relationship between firms' structure and organizational performance. The result established a positive relationship between the dependent variables (formal process, business type, strategy implementation, strategy success, and structure formation) and the independent variable (organization performance). According to Venkatraman and Ramanujam, (1986) organizational performance takes into consideration three key areas of a firm's outcomes. They include; the company's financial performance which looks at its profitability, return on assets and return on investments ratios. The second indicator is the product market performance which looks into the market share of the company verses that of the whole industry and its sales margins. Finally, it looks into the shareholders returns which are the total shareholder return and the economic value added.

5.3.2 Influence of Leadership on Strategy Implementation

The findings revealed that leadership influence strategy implementation. Leadership's key responsibility in an organization is to codify and maintain an organization's vision, purpose and values (Jain, 2013). It sets the tone for the direction the company will take on its strategies and organizational culture. The leadership of the organization is significant during strategy implementation according to Reed (1988) who emphasizes that this will bring cohesion among the teams. They are responsible for ensuring communication on the main vision is understood by the team and clear direction on delegated responsibilities and outcomes (Freedman, 2003).

It was also revealed that leadership aid employee efficiency and current leadership allow for innovation. Ansoff and McDonnell (1990) indeed agree that Strategy implementation in the dynamic market environment, causes changes in the process and strategy may end up being emergent. This is what will drive productivity and innovation which will make the company have a competitive advantage over its competitors. This will only be possible with an exemplary leadership to drive the organization to change (Jain, 2013).

The finding also indicated that leadership affects performance and the leadership has enabled employees to share ideas with top management. This is in line with past studies like Aaltonen and Ikavalko (2002) who argued that the leaders had the role of initiating strategic communication and that their roles should evolve into being more of a "coach" responsible for building capabilities in his staff, performing a supportive and guiding role to his employees. Alexander (1985), in his empirical study of 93 firms he observed that

the capabilities of employees involved were not sufficient and the leadership and direction was not applied. He also noted that the lower level employees were not given adequate training and instruction on the process. The leadership of the organization is the element that holds the structure, culture and strategy together. It is the glue that puts things together.

Majority also agreed that leadership was influenced by business type, this is in line with the empirical evidence by Asiiimwe (2015), on the relationship between the personal values of manager's strategy adopted and the performance of the business found that certain profiles of personal values correspond to certain strategic orientation. Leadership certainly affects a lot of functions in an organization (Blackstone, Cox, and Schleier 2011; Kuei, Madu, and Lin 2011). According to Franco and Bourne (2003) leadership has the main role of formulating strategy and implementing it. Del et.al (2008), emphasized that leaders must focus more on transformational rather than transactional leadership to achieve the desired performance. For an organization to achieve organizational competitiveness Asiiimwe (2015) say that the leadership requires crucial skills and an appropriate management style that will match the desired culture.

The findings also show that the leadership is established by the owner during strategy implementation. Yaprak et.al (2011), emphasizes that an alignment between strategy and the organization's structure and processes and rewards systems must be achieved during a strategy implementation process. Clearly from the discussions we see that leadership plays a critical role in the strategy process which is formulation and implementation. This can only be achieved by employing transformational leadership styles sensitive to issues concerning the organizational vision, culture, developing values, teamwork and service (Nicholson 2007).

A Pearson correlation analysis was done to establish a significant relationship between firms' leadership and organizational performance. This is in line with other studies that have established that the only way an organization's employees can work as a team to ensure that all the functions of the organization are fully operational and working flawlessly is when the leadership creates an environment where everybody plays their part (Asiiimwe 2015). Kotter (2008) emphasized that organization leadership must embrace practices such as continuous modification of the structure of the organization,

reinforcing the firms cultures, developing collaborative process to maintain the organization's competitiveness.

5.3.3 Influence of Firms Culture on Strategy Implementation

An analysis of the influence of Culture on strategy implementation revealed that most respondents agreed that the success of strategy implementation lies on the firm's ability to transform learning to action. To prove this, Beer and Eisenstat's (2000) research has provided more evidence on barriers to successful implementation of strategy according to Beer and Eisenstat's (2000). Some of these barriers include a laissez-faire leadership style, unclear strategic intentions, an untrained or incompetent senior management team, poor communication, lack of co-ordination of processes and a lack of appropriate leadership skills. In such an environment, strategy is bound to fail.

It was established that culture affect performance and Pearce and Robbinson (2001) states that organizational culture are sets of assumptions that members of an organization shares. Schein 2010, Hofstede 2011, Kotter & Heskett (1992), view organizational culture as a Phenomenal approach which focuses on the sturdy of culture; its nature, management and how it evolves. The other perspective by Denison and Mishra (1995), view culture as a functional approach. In this perspective culture is based on the achievements the culture will bring to the organization, thus the culture is created to fulfill a certain purpose.

In addition, culture aid employee efficiency and it also affect strategy implementation. The culture of an organization really is an important aspect and determinant of whether an organization succeeds or fails. Pearce and Robbinson (2001) defines organizational culture as a set of important shared assumptions usually unstated and shared by members of an organization. There are some organizations which will adopt a culture of continuous improvement and risk taking. This type of orientation is commonly seen with technology companies because of the continuous improvement and very high competition. Their environment is known to be very volatile. Other companies will adapt a culture where people are afraid to make mistakes and are more rigid such as financial institutions and insurance firms. According to Pearce and Robbinson (2001) leaders use structure and reward systems to shape the organizations culture.

The study also established that organization culture formation is deliberate and formal and to support this, Michlitsch (2000) adds that it should also be aligned to the business goals to their own personal goals. This means that only those who know that when the

business prospers then they will also prosper in one way or another prosper. He continues to say that this can only be possible if the business objectives are clearly laid out to all the employees and that they are given an environment where they are able to work well to achieve those objectives.

A Pearson correlation analysis was done to establish the relationship between firms' culture and organizational performance. The result established a positive relationship between the dependent variables (formal process, business type, strategy implementation, strategy success, and transformation of learning to action) and the independent variable (organization performance). According to Challis et al (2005), the responsibility of developing cohesion among different organizational divisions and influencing a culture of inclusion, improvement and learning lies on the leadership. The whole organization must share common beliefs and aspirations about the organization and its future direction (Vargo et.al, 2011). The organizational performance depends on how the culture of an organization is aligned to the vision and mission of the organization. (Magaisa, Matipira & Kanhai, 2014). It is imperative for everyone in the organization to share norms and values of the organization.

5.4 Conclusion

5.4.1 Influence of Firms Structure on Strategy Implementation

Among the top 100 SMEs in Kenya, organization formation is a formal process and the individual organization structure is influenced by business type or industry where the firm belongs. The sector is a very competitive one, thus most of them have in place structure that supports innovation. It is also ascertained that the structure plays a crucial role in determining the success of strategy implementation and general organization performance.

5.4.2 Influence of Leadership on Strategy Implementation

To maintain top 100 position in the Kenyan SME spectra is a daunting task and as such, leadership must be highly trained and competent. In addition, the leaders play a big role in influencing strategy implementation, employee efficiency and increased innovation. The finding also indicated that the leadership of the firms has a direct effect on the performance as they act as the link between employee's and the top management. Correlation results indicate that increased leadership participation positively impacts organizational performance.

5.4.3 Influence of Firms Culture in Strategy Implementation

The success of strategy implementation in the SMES is fully dependent on the firm's ability to transform learning to action. In addition, this has an impact on performance and directly influences employee efficiency and strategy implementation at the firm. Success of most of these firms is as a result of the ingenuity through adoption of innovation as the engine of successful strategy implementation. Correlation results indicate that adoption of positive culture significantly impact organizational performance.

5.5 Recommendations

5.5.1 Recommendation for Improvement

5.5.1.1 Influence of Firms Structure on Strategy Implementation

SMEs need to keep innovating to increase efficiency in the production processes, there is also a need to evaluate the structural models in place so as to eliminate channels that impede successful strategy implementation. The organization needs to maintain only the structures that contribute towards organizational performance and this could be done in forums that involve employees' participation in the structure formation.

5.5.1.2 Influence of leadership on strategy implementation

SMEs should continue having a trained and competent leadership so as to guarantee positive organizational developments. Current leadership needs to encourage innovation. Due to the competitive and dynamic nature of the industry. Employees need to be encouraged more to share ideas with top management and this will ensure while the leadership receives both positive and negative feedback thus enhance organization performance.

5.3.3 Influence of Firms Culture on Strategy Implementation

SMEs need to maintain a culture of transform facts learnt into attainable action. The firms also need to maintain only positive culture that aid employee efficiency. The firms should maintain or adopt a culture that enables employees share ideas with top management. All employees should be inducted into the organization culture to ensure smooth operation in the firm.

5.5.2 Recommendation for Further Studies

The purpose of this study was to determine the influence of strategy implementation antecedents on organizational performance. The objectives were aimed at establishing the influence of firm's structure, leadership and firms' culture in strategy implementation on organizational performance. Further studies should be done to establish how other internal factors influence strategy implementation and organizational performance. The study could also be extended to determine how external factors affect in strategy implementation and organizational performance of the top 100 SMEs.

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APPENDIX II: Cover Letter

**Diana Anyango Kolek,
United States International University- Africa,
P.O.BOX 14634 -00800 Nairobi,
10th December 2016.**

Dear Respondent,

REF: REQUEST FOR YOUR PARTICIPATION

I am conducting research on “The Influence of Strategy Implementation Antecedents on organizational Performance: Case Study-Sized Companies in Nairobi In 2016”.

This is in Partial Fulfilment of the requirements of the Masters of Business Administration degree program at the United States International University.

I hereby request you to fill the attached questionnaire to your best knowledge and understanding.

Information provided will be highly confidential. A copy of the final report will be availed to you upon request on completion of the research. Thank you for your time and cooperation.

Kind Regards

.....

Diana Anyango Kolek.

Appendix III: Questionnaire

SECTION A: GENERAL INFORMATION

Name of the Enterprise (Optional).....

1. What is your Gender? Male Female

2. What is your highest level of education?

Certificate Diploma Degree Post graduate Diploma

Undergraduate Masters Others

3. What is your age range?

Less than 25 years 26-35 years

36-45 Years 56 years and above

4. Are you the owner of the business? Yes No

5. Number of years the business has been in operation

Less than 3 years 3 – 6 years 7- 10 years

11- 14 years 15 years and over

6. Nature of the Business/Operations

Commercial, Service

Trade & retail ICT

Hospitality Construction

Others (Please specify

7. Please indicate the number of employees in your enterprise

Less than 20 21-30

31-50 41-70

Over 71 employees

SECTION B: STRUCTURE AND STRATEGY IMPLEMENTATION PROCESS

To what extent do you agree with the following statements about your organizational Structure?

On a scale of 1-5 where; 1-Strongly Disagree; 2-Disagree; 3-Neutral; 4-Agree; and 5 strongly Agree

organizational Structure Formation		1	2	3	4	5
1	The organizational formation is a formal process.					
2	The organizational Structure is influenced by the type of Business					
3	The organizational structure is determined by the owner during strategy implementation					
4	The structure can either enhance or impede the successful Strategy implementation					
5	Employees are involved in the structure formation					
Organizational Performance						
1	The structure of the organization affects the organizational performance.					
2	The organizational structure helps the employees become more efficient.					
3	The structure enables the employees to share their ideas with the top management.					
4	The current structure creates an atmosphere for innovation.					

In your opinion how else does the Organizational Structure influence strategy implementation?

.....

SECTION C: LEADERSHIP AND STRATEGY IMPLEMENTION PROCESS

To what extent do you agree with the following statements about your organizational Leadership?

On a scale of 1-5 where; 1-Strongly Disagree; 2-Disagree; 3-Neutral; 4-Agree; and 5 Strongly Agree

Leadership Characteristics		1	2	3	4	5
1	The leadership is highly trained and competent					
2	The leadership is influenced by the type of business					
3	The leadership of the business is provided by the owner during strategy implementation					
4	The leadership can either enhance or impede the successful strategy implementation					
5	The employees are able to convey their ideas to the leadership.					
Organizational Performance						
1	The leadership of the organization affects the organizational performance.					
2	The organizational leadership helps the employees become more efficient.					
3	The leadership enables the employees to share their ideas with the top management.					
4	The current leadership creates an atmosphere for innovation.					

In your opinion how else does the Leadership influence strategy implementation?

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SECTION D: CULTURE AND STRATEGY IMPLEMENTATION

To what extent do you agree with the following statements about your organizational Culture?

On a scale of 1-5 where; 1-Strongly Disagree; 2-Disagree; 3-Neutral; 4-Agree; and 5 Strongly Agree

Organizational Culture formation and Flexibility		1	2	3	4	5
1	Organizational culture formation is a deliberate and formal process.					
2	The organizational culture is influenced by the type of business					
3	The organizational culture is determined by the owner during strategy implementation					
4	The culture can either enhance or impede the successful Strategy implementation					
5	The success of strategy implementation lies on the firm's ability to rapidly transform learning into action.					
Organizational Performance						
1	The culture of the organization affects the organizational performance.					
2	The organizational culture helps the employees become more efficient.					
3	The culture enables the employees to share their ideas with the top management.					
4	The culture of innovation in organization has proved to be the engine of successful strategy implementation.					

In your opinion how else does the Organizational Culture influence strategy implementation?

.....

THANK YOU