

**THE EFFECT OF ORGANIZATIONAL CULTURE ON STRATEGY
IMPLEMENTATION: A CASE OF KCB BANK GROUP**

By

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DECLARATION

I hereby declare that this research project is my original work; it has not been presented to any other institution of higher learning for academic purposes.

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This project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

I dedicate this research project to my loving husband who encouraged me to pursue the program in spite of various challenges, and my children for their emotional support which motivated me to pursue the program to completion.

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LIST OF ABBREVIATIONS

KCB – Kenya Commercial Bank

CBK – Central Bank of Kenya

KBA – Kenya Bankers Association

TQM – Total Quality Management

ABSTRACT

Strategy implementation occurs within the internal and external environment of an organization. The environment is composed of various factors among them the prevailing organizational culture. Failure in strategic management virtually happens during the implementation of the strategic plan. The relationship between organizational culture and strategy has become interesting not only to the academic researchers, but also to the practicing managers. The study aimed at establishing the effect of organizational culture on strategy implementation at KCB bank Group. The study is guided by the following theories; Knowledge-based theory and Resource Based theory. The study employed a case-study design. The design has been found appropriate since it focuses on specific and unique cases. This design also allows a thorough, meticulous and systematic data collection on the research problem. The target population for this study was with 10 senior managers in strategy department of KCB Group Ltd. Primary data was collected by means of interview guide with open ended questions to interview senior managers at KCB Bank Group headquarters in Nairobi. The data collected was analysed using content analysis technique. Content analysis is the best method of analyzing the open ended questions because of its flexibility and allows for objective, systematic and quantitative description of the content of communication. Based on the findings of this study, there are various challenges that face strategy implementation. One of the challenges consisted of organizational culture. Secondly, another challenge that faced strategy implementation was insufficient buy-in. From the findings, inefficient leadership was a factor that affected strategy implementation. On further analysis, inappropriate strategy can be a challenge in itself to strategy implementation. The study also concluded that mission, vision and value of an organization influenced strategy implementation. The study further established that KCB Bank Group considers market culture, bureaucratic culture, entrepreneurial culture, and organizational positioning and innovation effect to strategy implementation. The study recommends that focus should be directed at leaders in different capacities as they play the role of coaches in giving general direction, but further encourage individual decision-making to determine the operating details. The study findings were applicable to KCB Bank Group only. The findings can therefore not be generalized to all organizations. The study recommends that further research should be done on effect of organizational culture on strategy implementation at KCB bank Group.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategy implementation does not occur in a vacuum (Goetsc & Davis, 2014). It occurs within the internal and external environment of an organization. The environment is composed of various factors among them the prevailing organizational culture. The prevailing organizational culture can either support or undermine implementation of strategies hence the need for strategy-cultural fit in any organization. Therefore, organizational culture significantly influences the process of strategy formulation and selection, as well as its implementation (Ochanda, 2005). Today's organizations are not static; they keep changing in order to remain relevant. Some changes are not predictable and it is only organizations that are able to adjust spontaneously that will successfully implement their strategies (Ouma & Gichinga, 2017). Cristian-Liviu (2013) argued that strategy implementation is a formidable challenge and that politics and resistance to change provide a major setback.

Successful organizations understand the need for a sound business strategy and invest significant time, effort, and money in strategy development. The ability to execute strategy is more important than the quality of the strategy itself (Mbogoh & Ogutu, 2017). Strategies are important in organizational operations, but whereas most organizations have good strategies, successful strategy implementation remains a major challenge. In spite of the importance of strategy implementation in organizations' success and their achieving goals, most of them fail to implement those strategies efficiently

(Mohamed, 2015). Effective implementation of strategy rarely gets much attention or respect. It is imperative to note that even the well-crafted strategies are useless if they cannot be implemented. The global financial crisis been experienced continues to affect the banking industry in Kenya especially with regard to deposit mobilization, reduction in trade volumes and the performance of assets. This has necessitated formulation and implementation of strategies aimed at addressing the changes and attaining competitive advantages (Muthoni, 2012). Kenya Commercial Bank (KCB) therefore are a good focus of the study because for them successful strategy implementation is key to their performance.

According to Mohamed (2015) the difficulty is not with formulation of a strategy, the difficulty comes with implementation. This study will be grounded on Resource Based View Theory and Knowledge-based theory. According to Kozlenkova *et al.* (2014) Resource-Based theory contends that the ownership of strategic resources offers a business with a golden chance to advance competitive advantages over its competitors while the knowledge-based theory of the firm considers knowledge as the most strategically significant resource of a firm. Its proponents argue that because knowledge-based resources are usually difficult to imitate and socially complex, heterogeneous knowledge bases and capabilities among firms are the major determinants of sustained competitive advantage and superior strategic implementation.

1.1.1 Organizational Culture

Organizational culture is the shared norms, attitudes, values, beliefs, expectations, customs, and assumptions that have emerged over time (Mohammad, 2006). Norms are a

set authoritative standard governing appropriate or inappropriate behaviours for a group and often exist around issues such as quality, performance, flexibility, output levels, and conflict resolution. Culture may act as a social control system that powerfully shapes the behavior of individuals and groups. Cultures are supported and maintained by management practices, organizational structures, and people within them. Most Organization cultures are not by design. Instead, they evolve over time from a variety sources. These may include the views of the founders, management's assumptions about work ethics and about and critical precedents such as management responses to suggestions from subordinates (Ochanda, 2005). Norms, as part of organization culture, are socially created standards that help employees interpret and evaluate events, and are significant because people behave in certain ways as a result of expectations of how others would act in similar circumstances (Jiang & Carpenter, 2013)

When an organization is born, a tremendous burst of energy is released as members struggle to make it work (Goffin & Mitchell, 2016). An organizational culture forms rather quickly, based on the organization's mission, setting and requirements of success. Then the reward systems, policies and work procedures are formally documented. They become part of the formal coding system of the organization legitimizing the kinds of behavior and attitudes important for success. However, such formalities, while important in shaping culture, cannot compete with actions of key individuals. In every organization, there are initiation rites; stories to be heard, behavior to be learned; and codes to be deciphered (Simon *et al.*, 2014). There are rituals for veteran employees and for the new employee. There are cultures, myths and rituals legitimating rigid hierarchies, loose

structures, autocratic leadership styles, and democratic participation. Jiang and Carpenter (2013) argue that organization culture is as life itself, 'we make culture as we organize and reorganize. Therefore, a stable culture systematically supports strategy implementation and enhances commitment among employees and focus on productivity within the organization rather than resistance to rules and regulations or external factors that prohibit success. Flexible, strong and unified cultures also approaches strategy implementation and affect implementation in a positive manner by aligning goals. Goals come into alignment when the organizational culture works to focus on productivity and getting the organization's primary mission accomplished.

1.1.2 Strategy Implementation

Strategies are a critical element in organizational functioning, but whereas most organizations have good strategies, successful implementation remains a major challenge. The notion of strategy implementation might seem quite straightforward; a strategy is formulated and then implemented. To the contrary, transforming strategies into action is far complex, difficult and a challenging undertaking and therefore not as straight forward as one would assume (Goromonzi, 2016) Implementing strategy is the connecting loop between formulation and control. It is what integrates strategies. Strategy implementing is a process in which all planning and budgetary activities, policies and procedures follow the defined strategy. It may involve some changes in the organizational culture, structure as well as managerial systems. Implementation of strategies is also called practical strategic management. The purpose of implementing strategies is to enable managers and employees collaborate to perform formulated strategic planning. In other words

implementing is the most difficult step in the strategic management process and need a kind of self-controlling and a corporate culture as well.

Strategy implementation is an internal, operations-driven activity involving cultural change, values as well as changes in social systems to make the strategy work as intended (Ouma & Gichinga, 2017). Implementing strategy involves creating fit between the way things are done, and what it takes for effective strategy execution. A culture grounded in strategy-supportive values, practices and behavioral norms adds significantly to the power and effectiveness of a company strategy execution effort (Speculand, 2014). For example a culture where frugality and thrift are widely shared by organizational member's nurtures employee actions to identify cost-saving opportunities which is the very behavior needed for successful execution of a low-cost leadership strategy. The question of successful strategy implementation however still remains an unaddressed challenge in many organizations. Mbogoh and Ogutu (2017) argue that a brilliant strategy that cannot be implemented creates no real value. Strategy implementation has become the most significant management challenges which many organizations face at the moment including KCB Group.

1.1.3 The Banking Industry in Kenya

The banking sector which is one of the key financial industries in Kenya is administered by the Banking Act Cap 488, the Central Bank of Kenya Act and the different practical rules by the Central Bank of Kenya (CBK). The CBK which is under the Ministry of Finance is in charge of design and execution of monetary guidelines and advancing liquidity, solvency and appropriate working of the monetary system. The CBK circulates

information on Kenya's financial organizations, loan fees and other publications and rules (Mokaya & Kipyegon, 2014). The banks have an umbrella body known as the Kenya bankers' association (KBA), which serves as a hall for the banks premiums furthermore delivers issues relating to its members. The Kenyan banking industry has banks owned by foreign entities and others owned by local entities. The banks are under the umbrella of the Kenya Bankers Association (KBA), which lobbies for the bank's interests. KBA serves a platform for members to address issues influencing them. In the course of the last couple of years, the Banking sector in Kenya has increasingly become gigantic as far as resources, deposits, products offering and profitability are concerned.

The Kenyan banking industry has improved significantly as compared to 10 years ago. The Central Bank deserves credit for the improvement in the regulatory processes that have resulted in Kenyans having more faith in the banking industry and thus increasing their borrowing and total deposits. But the key question remains whether this growth has been brought about by the strategic planning practices that the commercial banks engage in. According to Mungania *et al.* (2016), the banking sector has played a major role in financing all the pillars of the economy ranging from Microfinance, youth and women empowerment, infrastructural development, education, health and agriculture. Emergence of micro-credit institutions such as K-rep Bank, Family Bank and Equity Bank targeting small and medium enterprises as well as small scale farmers especially in the rural areas has led to significant growth of the Kenyan economy. These banks have grown compared to other banks over the period they have been in existence. Banks now have direct sales representatives countrywide specifically to increase their customer deposits and lending

power in both rural and urban areas hence play a crucial role towards the attainment of Vision 2030.

1.1.4 KCB Bank Group

The KCB Bank Group is a significant institution in Kenya's banking and financial sector with an asset base of over Ksh. 566 billion. The history of KCB dates back to 1896 when its predecessor, the National Bank of India opened an outlet in Mombasa (Omolo, 2015). Eight years later in 1904, the Bank extended its operations to Nairobi, which had become the Headquarters of the expanding railway line to Uganda. The next major change in the Bank's history came in 1958. Grindlays Bank merged with the National Bank of India to form the National and Grindlays Bank. Upon independence, the Government of Kenya acquired 60% shareholding in National & Grindlays Bank in an effort to bring banking closer to the majority of Kenyans. In 1970, the Government acquired 100% of the shares to take full control of the largest commercial bank in Kenya.

Kenya Commercial Bank renamed to KCB Bank group in 2010 and it is composed of KCB Kenya, S&L, a mortgage division; KCB Tanzania Limited, KCB Rwanda Limited, KCB Burundi Limited, KCB Sudan Limited and KCB Uganda Limited. Today, KCB Group has the widest network of 6 outlets comprising of over 210 branches across the region, 175 branches in Kenya, 14 in Uganda, 2 in Burundi, 11 in Tanzania and 11 in Rwanda and access to over 940 Automated Teller Machines and over 4,627 group bank agents (KCB, 2015). In 2015, The Group's steady performance was driven by increased

revenues, tight cost management and improved efficiencies, with customer deposits of Ksh. 424 billion, total assets of Ksh. 558 billion.

The importance of strategy to KCB Group cannot be underestimated. Strategy implementation defines the process through which a selected strategy is actualized. KCB Group have strived from various stages alongside the adoption of various organizational strategies, however it has not been easy to achieve optimum strategy implementation. According to Gatwiri *et al.*, (2014) Organizational processes, organizational culture and organizational structure in KCB influence strategy implementation to a great extent. The purpose of this study is to examine the effect of organization culture on strategy implementation.

1.2 Research Problem

Failure in strategic management almost always happens during the implementation of the strategic plan. For instance, Okumus (2001) noted that despite the importance of the strategy execution process, far more research has been carried out into strategy formulation while very few have been done into strategy implementation. The relationship between organizational culture and strategy has become an interesting topic not only to the academic researchers, but also to the practicing managers (Mbogoh & Ogutu, 2017). Successful strategy implementation requires the input from a supporting Organization culture. As the organization evolves it acts to make strategy adjustments, either because the new strategies are compatible with the present culture or because the dominant traits of the culture somewhat strategy-neutral and compatible with evolving

version of the company's strategy. According to Okumus (2003), strategy implementation as a process that occurs in a strategic context, while the strategic content is seen as the strategic direction of the company and believes it will assist with examination and evaluation of complex implementation cases. In this manner, Okumus (2003) agrees with Pettigrew (1987) who contends that the content, context and the process are intertwined and affect one another. Speculand (2014) argues that a culture embedded with values and behaviors that facilitate strategy execution promotes strong employee identification and commitment to the company's vision, performance targets, and strategy. Recent empirical research by Goromonzi, (2016) proved that there is a relationship of interdependence and influence between the company strategy and its organizational culture. Organizational culture significantly influences the process of strategy formulation and selection, as well as its implementation. On the other hand, the selection and implementation of strategy can strengthen or change the existing organizational culture. Although clear objectives do not guarantee successful strategy implementation, they increase the likelihood that personal and organizational aims can be accomplished (Okumus, 2001).

The KCB bank Group, has been looking to ensure that all formulated strategies are effectively implemented (Ochanda, 2005). When culture aligns with strategy implementation, an organization is able to efficiently operate in the global marketplace (Mathore, 2016). Culture allows organizational leaders to work both individually and as teams to develop strategic initiatives within the organization which includes building new partnerships and re-establishing old ones to continue delivering the best possible products

and services to a global market (Omolo, 2015). KCB bank Group understands how strategy implementation strengthens or changes the existing culture and in what way culture influences the selection and implementation of strategy. Commercial banks create operating principles that typically define the way they interact with their customers, employees and operations. While these things are important to put in writing, it is the more intangible aspect of culture that sets one business apart from another and perhaps determines success or failure of strategy implementation.

Various studies have been done locally and internationally. Janićijević (2012) studied on Organizational culture and strategy. The study revealed that organizational culture influences the strategy formulation by determining the gathering of information, perception and interpretation. Further the study revealed that implementation of the selected strategy leads to the strengthening or changing of organizational culture through the process of its institutionalization. Cristian-Liviu (2013) also did a study on Organizational culture and strategy. The study established that one of the most plausible causes behind organization failure is the resistance to change. Further Ahmadi *et al.*, (2012) studied on relationship between organizational culture and strategy implementation. The findings verified that flexible cultures have to do more with policy formation and structural factors in implementation. Moreover, results reveal the significant correlation between strategic emphasis among culture and implementation of the strategy.

Studies on organizational culture and strategy implementation have also been done in Kenya. Mathore (2016) investigated on effect of strategy implementation on organization

performance. The results showed that there is a positive relationship between strategic implementation and performance at Diamond Trust Bank. The results further indicated that members from various levels of the bank have unique understanding of the implementation procedure and implementation factors could get to be barricades that undermine the implementation procedure. Ochanda (2005) carried out a study on Challenges of strategy implementation at Kenya industrial estates limited. The study established that the strategy implementation challenges experienced by the organization were enhanced by both restrictive regulations and policies under which state corporations operate. Muthoni (2012), further studied the effects of organizational culture on strategy implementation in commercial banks in Kenya. The study found that for competitive advantage to be gained across Kenyan banks, strategy implementation should be aligned with strong organizational culture.

Therefore, there have been few studies in Kenya on organizational culture and strategy implementation. This creates a proper avenue to fill the gap that other researchers have left. The study will focus on the effect of organizational culture on strategy implementation at KCB bank Group which will lead to the question; what is the effect of organizational culture on strategy implementation at KCB bank Group?

1.3 Objective of the Study

This study will seek to establish the effect of organizational culture on strategy implementation at KCB bank Group.

1.4 value of the Study

This study will be useful to managers in Kenya commercial bank Group. It will help them in identifying Organizational cultural issues affecting strategy implementation and this research will therefore provide an insight into the various cultural issues influencing strategy implementation and mechanisms addressing them to enhance the strategic performance and contribute to improved performance for competitiveness.

To managers of Kenya commercial banks, the research findings of this study will provide recommendations as well as reference on how these cultural issues ought to be managed and addressed so that they can best be developed and implemented for sustainable competitive advantage. Moreover, this study will identify attitude and value based gaps in employees for training needs requirements.

This study will also be useful to academicians and researchers in the banking industry. It will add to the body of knowledge on influences of organizational culture on strategy implementation. Significantly, the research will contribute to literature on corporate culture for future researchers and academicians. It will also help in identifying other areas of strategy implementation that require further research studying. The study will bring out clearly areas of challenges of strategy implementation and therefore be in a position to remain competitive. At the same time, the study will also highlight areas of challenges which could be exploited further by these commercial banks. The study will also benefit microfinance and insurance companies who also compete for the same customers.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of the related literature on organizational culture and strategy implementation as presented by various researchers, scholars, analysts and authors. The chapter also provides the theories underpinning the study as well as empirical review and research gap.

2.2 Theoretical Foundation

This part outlines the theories that were used to give more details to the study on effect of organizational culture on strategy implementation. The study will be guided by the following theories; Resource Based View and Knowledge-based theory.

2.2.1 Resource Based View

The resource-based theory states that in strategic management the primary sources and drivers to an organization's competitive advantage and superior performance are mainly associated with the attributes of their resources and capabilities which are valuable and costly-to-copy (Mahoney & Pandian, 1992). The resource-based theory argues that an organization is essentially collection of resources and capabilities which determine the performance of the organization; and if all firms in the market have the same pool of resources and capabilities, all firms will create the same value and thus no competitive advantage is available in the industry (Wernerfelt, 1995). The basis of the resource-based view is that successful firms will find their future competitiveness on the development of distinctive and unique capabilities.

The resource based theory further suggests that competitive advantage and performance results are a consequence of firm-specific resources and capabilities that are costly to copy by other competitors. These resources and capabilities should be valuable, increasing efficiency and effectiveness, rare, imperfectly imitable and non-substitutable. Organizations wish to maintain a distinctive product they will plug gaps in resources and capabilities in the most cost-effective manner. This theory emphasizes that resources internal to the firm are the principal driver of a firm's profitability and strategic advantage. It rejects traditional economic assumptions that resources are homogeneous and perfectly mobile. Instead, it argues that resources are heterogeneously distributed across firms and are imperfectly transferred between firms.

2.2.2 Dynamic Capabilities Theory

This study is founded on the dynamic capabilities theory of firms. The word "Dynamic" refers to the capacity to renew competences so as to achieve congruence with the changing business environment. "Capabilities" emphasizes on appropriately adapting, integrating and reconfiguring internal and external organizational skills, resources and functional competences to match the requirements of changing environments. (Teece, 2014). Dynamic capabilities theory is founded on two basic principles namely developing firm- specific capabilities and renewing competences to respond to shifts in the business environment. These capabilities are unique to each company and rooted in the company's history, thus difficult to imitate. The competitive advantage of firms lies with the way things are done in the firm i.e. routines and patterns of current practice. Winners in the global market place have been organizations that can demonstrate timely responsiveness

coupled with management capability to effectively coordinate and redeploy internal and external competences.

Organizations need to gain and sustain their competitive advantage by adjusting their competencies to match changes in the business environment. Organizational culture and strategy can be termed as distinctive competences as they set the organization apart from other organizations (Wheeler, 2002). The implementation of strategy needs a careful examination and evaluation of a company's organizational culture to ensure that there is a culture- strategy fit. Organizational culture and strategy need to be renewed and reconfigured to respond to shifts in the business environment.

2.3 Types of Organizational Culture

There are many types of organizational culture. However the ones which are believed to have immense influence on strategy implementation are adaptability culture, bureaucratic culture and entrepreneurial culture.

2.3.1 Market Culture

The theory of cultural adaptation refers to the process and time it takes a person or an organization to assimilate to a new culture (San Park & Hyun Kim, 2009). It is not always an easy transition. An organization whose culture is adaptive is one in which the managers at every level within the organization demonstrate leadership which puts forth changes in strategy and tactic wherever needed in order to fulfill the needs of the shareholders, customers, and employees, whereas in organizations whose culture is not adaptive, the managers from all levels within the organization tend to act carefully and politically to protect or advance themselves, their own products, and their group.

Organizational culture adaptability has a positive and significant effect on the organizational strategy implementation.

This is culture characterized by strategic focus on the external environment through flexibility and change to meet customer needs. The culture encourages entrepreneurial values, norms, and beliefs that support the capacity of the organization to detect, interpret, and translate signals from the environment into new behaviour responses. In adaptability the culture of risk taking is valued and rewarded. Alvesson (2016) sees an adaptive organization as one whose roles are open to continual redefinition and where coordination is achieved by frequent meetings and considerable lateral communications. Wheeler (2002) describes an adaptive cycle where managers solve three fundamental organizational problems, i.e. entrepreneurial, engineering, and administrative.

2.3.2 Bureaucratic Culture

Bureaucratic culture emanates from bureaucratic organization. In analyzing bureaucratic organizations, Kaya *et al.* (2014) delineated the essential elements of bureaucratic organizations and devoted considerable attention to the cultural values and modes of thought that gave rise to modern bureaucracies. Bureaucratic structures and processes reflected what Kaya took to be the dominant cognitive orientation of modern societies i.e. rationality. For example, failure or success of a strategy is not attributed to spirits of success or some sort of supernatural believes but rational causes such as adequate communication and flexible approach to change.

Bureaucracy culture strongly influences the member behavior. This influence can differentiate one bureaucracy from others. It also can create organization identity and

member identity, organization commitment above individual commitment and the stability of social system unity (Acar & Acar, 2014). It also functions as a producing mechanism of behavior controlling symbols of the member organization in fulfilling the bureaucracy performance. Bureaucracy culture is a set of systems which consists of symbol, value orientation, belief and knowledge and life experience internalized into mind. Bureaucracy culture assures the stability and guarantee since it well understand the trending topics in society, including its solution. Those set of rules are implemented through some attitudes, behaviours, and acts which are carried out by banks in strategy implementation. Bureaucracy culture is a system developed naturally and provides the interaction among the culture social of the society. Bureaucracy grows dynamically. Thus, it opens the opportunity on assimilation and acculturation between bureaucracy culture and society culture. Culture bureaucracy can be observed from the implemented strategies in the society. Culture bureaucracy is far from the expectation empirically, since it has not been implemented as manual form in KCB banks. The culture of rational approach being an important element in bureaucratic culture could therefore be useful in enabling an organization to achieve strategic goals.

2.3.3 Entrepreneurial Culture

As business leaders strive for increased competitiveness, creating an entrepreneurial culture has become an important advantage. In the current business environment, the term entrepreneurial has come to mean more than just the business acumen required to turn an idea into an enterprise (Alvesson, 2016). Today, "entrepreneurial" describes a skill and mind-set characterized by innovation, creativity, calculated risk-taking, and an

empowered staff. The term applies to individuals, teams, and entire organizational cultures. An entrepreneurial culture is what many companies hope for. Certainly, in the fast-moving and competitive technology industry, an entrepreneurial culture is what most organizations strive for. An organizational culture does not grow on its own, it is nurtured and an organization's culture is deliberately cultivated through concerted action including modeling, structure, constant communication, and positive reinforcement.

Like most business solutions, the starting point is leadership. People take their cue from their leaders. According to Mohammad (2006) their values, priorities, and actions are guided by what their superior's model. It sounds simple, but it's true. The senior executives set the tone for what the bank is doing, what the organizational values should be, and how people should act. From a business leader's perspective, that's the starting point of driving an entrepreneurial culture - embrace it and model it. Talk about it, reward, and encourage it. Remember that effective leadership is a delicate balance. An over-authoritarian workplace discourages people from using their own initiative and stifles traits that enhance innovation and productivity. An overly democratic environment lacks focus to keep the company moving toward its goals. Successful companies ensure their executive teams constantly demonstrate their value, productivity, and the open flow of ideas.

In the entrepreneurial culture, one strong leader takes bold, risky action on behalf of his organization. Strategy making is dominated by active search for new opportunities. Power is centralized in the hands of the Chief Executive. Strategy moves forward in the entrepreneurial organization by taking large bold decisions. Growth is the dominant goal

of entrepreneurial organization. According to Shem (2009) entrepreneurial culture presents more work than a job. It is a lifestyle. Employees are more like a team in most companies, and in some cases, they are even like a family. Charity (2017) highlighted ways in which organizations can exercise entrepreneurial culture by indicating that the focus should be on treating people with respect, a simple premise which threads through each and every complicated issue that can arise within an organization. Respect and trust provide the necessary base for a vibrant and sustainable corporate culture.

2.4 Strategy Implementation

Strategy is a plan established by a firm to help accomplish its objectives. Strategy is a pattern or a plan which integrates goals, policies and operational activities of an organization as a whole. Strategy is a macro future oriented plan for responding to competitive environment aiming optimization of goal attainment. Other strategy theorists, such as Awale *et al.* (2016) view strategy as the direction taken by an organization over the long term. Mathore (2016) defines strategy implementation as a clear direction for the organization and a means of getting there. According to Awale *et al.* (2016) essential questions in strategy implementation include: which decisions and activities can be accomplished by managers, who can organize decisions for parallel logic, activities, and defined contingencies? When these two questions are answered, decisions have to be made based on variable factors in the centre of the implementation process.

Muthoni (2012) adds that managers should think about implementation when they are planning, because implementation of strategies should not cause trouble for them in future. Of course, all decisions and executing activities cannot be performed completely,

but implementing assumptions or limitations should be chosen properly in order to make a great imagination of formulating and implementing. The implementation of organization strategy involves the application of the management process to obtain the desired results. Ochanda (2005) pointed out that, "almost all the management functions - planning, controlling, organizing, motivating, leading, directing, integrating, communicating, and innovation - are in some degree applied in the implementation process. According to Omolo (2015) strategy implementation is a step wise process with each activity having special tasks in pursuit of a common goal.

Strategies are normally designed within the existing organizational culture; likewise the culture has to be adjusted to fit into the new strategies owing to diversity in terms of race or tribe and religion. The major task in strategy implementation is to create common values, define ethical criteria, and create workplace support strategies and a high achievement motive in the culture of the organization

2.5 Empirical Review

Several studies have been done related to organizational culture. Akuei *et al.* (2016) did a study on role of organization culture on effective strategy implementation among commercial banks in South Sudan, The study targeted the top and middle managers of 29 commercial banks in South Sudan. To select the sample, the study used simple random method to calculate a sample of 168 top and middle managers of commercial banks. Further, the study used purposive sampling technique to select the managers to be included in the sample. Primary data was collected using questionnaires and data was analyzed using factor analysis and multiple linear regression model. The study found that

dominant characteristics have no significant influence on effective strategy implementation. Organizational Leadership was found to positively influence effective strategy implementation. Management of employees and organizational glue had no effect on effective strategy implementation. Karimi and Kadir (2012) investigated the relationship between four construct of organizational culture and two type of TQM as soft and hard in the Iranian oil industry. The method of confirmatory factor analysis was applied to refine culture and TQM scales for empirical analysis in Iranian Oil Industry. This study confirms the results of previous studies that considered culture as a set of practices. It confirms that not all types of culture considered as a set of practices has a positive impact on the TQM implementation. Only two components of culture hierarchy and developmental showed a negative impact on the soft and hard TQM.

Charity (2017) studied on the effect of organizational culture on strategy implementation: a study of three companies in construction sector in Nairobi, Kenya. The researcher used questionnaires to collect data. The study concluded that top managers demonstrate their willingness to give energy and loyalty to the implementation process which amount to being flexible thus creating an enabling environment of addressing customer's problems so as to compete well with other players in the industry, in addition clan culture was found to be highly correlated with strategy implementation which therefore implies that clan culture in an organization is an important recipe in strategy implementation. In addition clan culture allows change and increases the effectiveness of strategy execution. Further, Shem (2009) investigated on alignment of strategy and organizational culture in the mobile phone service providers in Kenya. The study employed survey design. The

population of study was all the organizations licensed to provide mobile phone service in Kenya. The study established that there was culture strategy alignment through formal strategy planning process that communicates and clarifies strategy to the whole organization. From the literature review little has been done on organizational culture on strategy implementation of KCB bank Group operating in Kenya. Therefore this study seeks to fill in the gap by investigating the effect of organizational culture on strategy implementation of KCB bank Group in Kenya Today.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the research methodology that was followed in completing the study. These include research design and methods of data collection. The chapter further provides the methods of data analysis.

3.2 Research Design

This study employed the case study method which has evolved over the past few years as useful tool for an in-depth investigation of trends and specific situations. The design has been found appropriate since it focuses on specific and unique cases. This design also allows a thorough, meticulous and systematic data collection on the research problem Kothari (2004). Further, it gives a deep understanding of the issues, and allows data collection using in-depth interviews and document analysis.

3.3 Data Collection

For the purpose of this study, primary data was used. An interview guide with open ended questions was used to interview senior managers at KCB Bank Group headquarters in Nairobi. This involved in-depth discussion through individual meetings with 10 senior managers in strategy department of KCB Group Ltd. With unstructured questions, a respondent's response gave an insight to his feelings, background and interests. Copper and Schindler (2003) emphasize the value of personal interview when they stated that it enables in depth and detailed information to be obtained.

3.4 Data Analysis

The qualitative data collected was analyzed using content analysis technique. According to Mugenda and Mugenda (2003) the main purpose of content analysis is to study the existing information in order to determine factors that explain a specific phenomenon. According to Kothari (2004) content analysis uses a set of categorization for making valid and replicable inferences from data to their context. The responses from different respondents will be compared and summarized according to the objectives of the study. Content analysis is the best method of analyzing the open ended questions because of its flexibility and allows for objective, systematic and quantitative description of the content of communication.

CHAPTER FOUR

DATA ANALYSIS RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents data analysis and discussions. The study objective was to establish the effect of organizational culture on strategy implementation at KCB bank Group. Primary data was collected through in-depth interviews of 10 senior managers at 10 senior managers in strategy department of KCB Group Ltd. The data was thereafter analyzed based on the objectives of the study and the findings are as presented as per the different classes underlined below.

4.2 Main Roles of the strategic Department in KCB Bank

According to the respondents, their main role includes acting as a coordinating body, developing and implementing strategies that satisfy the objectives of individual departments as well as promoting overall corporate goals. They further emphasized that as a department they develop which involves being responsible for company operations to gather information on challenges and objectives. It also consolidates individual strategic aims into an overall approach and invites feedback from the departments concerned. Secondly, they implement, which involves communicating the details of the work it expects each department to carry out. They also coordinate which also acts as the key function of the department. It schedules the work in the proper sequence and ensures that the required resources are available at the level of the department that is executing its particular strategic component. Lastly, they evaluate whether the strategies achieve the projected results. If performance is not in line with projections, the strategy department

has to plan for additional initiatives and direct the responsible departments to carry out the extra work.

4.2.1 Strategy Implementation at KCB Bank Group

The interviewees came from the strategy department. They stated some challenges being faced by the bank branch in the implementation of the strategies put in place and similarly the measures taken to counteract these challenges.

4.2.2 Challenges in strategy implementation at KCB Bank Group

The study asked the interviewees what some of the challenges experienced in implementing the challenges were. The interviewees responded by listing several challenges they faced during strategy implementation. *“Strategy Implementation comes from both the external and the internal environment. Adapting to the different challenges depends on the type of organization, the strategy adapted and the circumstances prevailing at the time.”* One interviewee said, *“one of the challenges we face is insufficient buy-in.”*

He continued to explain that *“when we are coming up with a strategic plan, firm leaders and partners involved in the process develop a strong understanding of the business imperative behind the chosen strategy and the need for change in order to achieve partner goals”*. However, partners not involved in the process ended up struggling to identify with the goals and strategies outlined by firm leaders. These partners who are not in the strategic team did not see a need for change, and without understanding the background and rationale for the chosen strategy, these partners did not buy-in to the

strategic plan and, as a result, passively or actively interfered with the implementation process.

“Insufficient leadership impacts negatively on strategy implementation. The most important task leaders have is to help build systems that facilitate the transformation of knowledge into action in a smooth and reliable way. Leaders view the strategy development process as a linear or finite initiative. After undergoing a resource intensive strategic planning process, the firm's Managing Partner and Executive Committee members may find themselves jumping back into billable work or immersing themselves in other firm matters, mistakenly believing that writing the plan is what the work involves.” That is how one of the strategic planning managers described one of the challenges they faced

Within weeks of finalizing the plan, strategies start to collect dust, partners lose interest, and eventually, months pass with little or no reference to the plan or real action from firm leaders to move forward with implementation.

Similarly, ineffective leadership also affected strategy implementation. *“Leaders lead towards the firm's goals and strategies.”* One of the managers explained that *“Implementing a leading strategy needs a balancing act - the ability to work closely with partners in order to build cohesion and support a firm's strategy. It also requires objective maintenance.”*

He continued to explain that this, in turn, serves to ensure the successful implementation of the firm's chosen strategy. Nevertheless, some leaders are weak in implementing these strategies. This is evidenced by firm leaders unable or unwilling to carry out the difficult

decisions agreed upon in the plan. To compound the problem, partners within the firm often fail to hold leaders accountable for driving implementation, which ultimately leads to a loss of both the firm's investment in the strategy development process as well as the opportunities associated with establishing differentiation in the market and gaining a competitive advantage.

As majority of strategic managers of KCB said that *“A weak or an inappropriate strategy can be a challenge in strategy implementation.”* One of the managers explained that *“During strategic planning lack of a realistic and honest assessment of the firm always leads to the development of a weak, inappropriate or potentially unachievable strategy.”*

A weak strategy may also result from overly aspirational or unrealistic firm leaders or partners who adopt an ill-fitting strategy with respect to the firm's current position or market competition. Without a viable strategy, firms struggle to take actions to effectively implement the plan identified. Lastly, the respondents added that people were resistant to change. As one of the managers revealed, *“There is difficulty in driving significant change in an industry rooted in autonomy and any individual lawyer behaviors cannot to be underestimated”*. More often than not, executing on strategy requires adopting a change in approach and new ways of doing things. In the context of law firms, this translates to convincing members of the firm, and in particular partners, that change is needed and that the chosen approach is the right one.

4.3 Organizational culture and strategy implementation at KCB Bank Group

4.3.1 Organizational Culture on Strategy Implementation at KCB Bank Group

Likewise the interviewees commented on the influence of organizational culture on strategy implementation. At first they mentioned how it was an important part of strategy implementation. For this factor, the interviewee said “*organizational culture changed when the strategy was implemented*”.

They stated that the biggest challenge was getting staff especially of the lower cadre to understand the benefits that would come with new strategy. One respondent pointed out that resistance from junior members of staff was the most serious challenge management faces in strategy implementation. The study also found out that there was a lot of peer pressure from the staff, particularly the long serving ones who do things the way they have been used to despite the changes in the business environment. This resulted in some delays in implementing strategy as they had to take more time getting staff to adopt new systems. They also indicated a lack of necessary skills among staff.

4.3.2 Strategy Implementation and Value at KCB Bank Group

The interviewees were asked whether KCB Bank Group followed its mission, vision and value. “*Yes, KCB follows its vision, mission and value diligently*”. They continued to state that they ensured their staff understood the main goal of KCB Bank Group. Likewise the interviewees commented on some of the advantages of mission, vision and value in making an organizational strategic plan. “*Articulating and repeating the positives of the move toward change in the organization will help employees stay engaged and motivated in the process*”, one of the managers added.

Change is an essential component of strategic planning. This involves moving the organization or program forward to create or change something. Some plans are created out of the need for the organization to move in a certain direction, and other plans develop organically. Mission and vision statements will be important to help communicate the goals of the plan to employees and the public.

From the strategic department, one interviewee mentioned that leaders should emphasize the current mission statement to employees, which clarifies the purpose and primary, measurable objectives of the organization. A mission statement is meant for employees and leaders of the organization. Strategic plans may involve changing the mission statement to reflect a new direction of the organization. Highlighting the benefits of the change and minimizing the deficits will help employees and the public buy into the change. *“Like mission statements, vision statements help to describe the organization's purpose. Vision statements also include the organization values. Vision statements provide the employees with the direction on their behavior and helps provide inspiration”*.

Strategic plans may require a marketing strategy, which could include the vision statement to also help inspire consumers to work with the organization. Strategic planning will likely have its successes and failures. The respondents also indicated that leaders should celebrate the little successes toward meeting objectives, which are part of the mission and vision statement. The mission statement will help measure whether the strategic plan aligns with the overall goals of the agency. The vision statement helps to

provide inspiration to employees. Employees who feel devoted in the organizational change are more likely to stay motivated and have higher levels of productivity.

Respondents were asked about their views on how clear the mission, vision and value statements were. 7 out of the 10 interviewees thought it was clear while 3 out of 10 respondents indicated that the statements needed more clarity to be understood by all staff in the Bank. The fact that some of the managers disagreed about how clear the mission, vision and value statements were, meant that more interventions needed to be implemented to ensure the statements were clear to all staff. The respondents also indicated that mission, vision and value statements had a substantial influence on strategy implementation. All the respondents agreed that mission, vision and value of the organization had an effect on strategy implementation. They indicated that having clearly defined the vision and mission of the organization, managers then can set strategic objectives that are aligned with the company's long-term goals. Managers translate these strategic objectives into an operational strategy that can be implemented, monitored and evaluated. The outcome of the evaluation will determine whether any revision of the vision statement, mission statement, objectives or operational strategy is required. They also added that Well-written vision and mission statements ensure that each element of the strategic management process is aligned to the company's long-term goals. Managers use clear and concise vision and mission statements to communicate their aspirations to stakeholders. Employees understand where to focus their efforts if they align their daily work with the vision and mission. Clear vision and mission statements allow customers,

suppliers and shareholders to choose whether or not they want to do business with the company.

4.3.3 Market Culture and Strategy Implementation at KCB Bank Group

The study engaged the interviewees on the effects of market culture on strategy implementation. The interviewees confirmed that culture influences everything including strategy implementation. “Leaders shape the market culture of an organization to align well with a specific strategy”.

The market culture is of interest as it takes a central position in any company; this applies to all the workers. Market culture focuses on its relationship between suppliers, clients and regulators and is more externally oriented. It is rational and goal-oriented, emphasizing maximum output, being decisive, and providing direction. It prides itself on accomplishment, productivity and making a profit or having an impact. Order, rational production, external interaction and goal accomplishment are the most significant factors of the market culture. Members have a clear instruction and are rewarded financially for their performance. This culture has a competitive orientation, focusing on the achievement of goals. The market culture focuses on its relationship between suppliers, clients and regulators and is more externally oriented. This clearly shows that market culture has been identified by the various frameworks of strategy implementation as a variable that influences the success of the implementation process.

Respondents also affirmed that customer demand influence strategy implementation. Customer demand is the basis of competitive strategy, and cultivating responsible relations is propitious for enterprises to timely adjust strategy. “*Technology changes thus*

the suppliers' relation influence strategy implementation". They added that market culture was related to a strong external focus especially the external environment.

4.3.4 Bureaucratic Culture and Strategy Implementation at KCB Bank Group

The respondents were also asked on some of the effects of a bureaucratic culture on strategy implementation. According to the study the respondents indicated that the role of leadership is most evident at the extremes, and less evident for bureaucratic cultures. . Bureaucratic culture (as distinct from the bureaucracies themselves) appears as a kind of default value, rather like the center of a normal distribution. This does not mean that there are no bureaucratic leaders; it is rather that bureaucracy is often a compromise between competing interests. A bureaucratic organization is one with rigid and tight procedures, policies and constraints; and the company reacts with stringent controls as well as a reluctance to adapt or change. Bureaucracies are very organized with a high degree of formality in the way they operate. Organizational charts exist for every department, and everyone understands who is in charge and what his responsibilities are for every situation. Decisions are made through an organized process, and a strict command and control structure is present at all times.

The study also found out that avoiding uncertainty is the extent through which employees of an organization rely on social norms and bureaucratic practices in order to avoid uncertainty and the unpredictability of future. For a strategy to be successfully executed, some formal structure is needed within the organization structure which also allows the organization to operate effectively. Within a given organizational structure for strategy execution, there will be rules, norms and practices defined as part of both the culture and

the critical success factors of strategy execution. A bureaucratic culture ensures employees are governed by formal rules and there are standard operating procedures. The respondents further indicated that a bureaucratic culture ensured stability in strategy execution. This is where the link between structure and uncertainty avoidance (culture dimension) is revealed since successful strategy execution plans may require employees to avoid hiding behind the rules and the norms and practice of the structure. In highly collectivistic organizations, for instance, KCB Bank Group, a structure (matrix structure) that promotes cohesiveness among the team members was found to be a deciding factor for excellent performance in strategy implementation.

4.3.5 Entrepreneurial Culture and Strategy Implementation at KCB Bank Group

Entrepreneurial culture entails one strong leader taking a bold, risky action on behalf of his organization. The study investigated the effect of entrepreneurial culture on strategy implementation. It established that Strategy making is dominated by active search for new opportunities. Power is centralized in the hands of the Chief Executive. Strategy moves forward in the entrepreneurial organization by taking large bold decisions. Growth is the dominant goal of entrepreneurial organization.

“Employees are more like a team in most companies, and in some cases, they are even considered family”.

This has made most of the banks adopt entrepreneurial culture since dynamism, entrepreneurship and creativity have resulted to successful strategy implementation by a big margin. Organizations can exercise entrepreneurial culture by indicating that the focus should be on treating people with respect, a simple premise which threads through

each and every complicated issue that can arise within an organization. Respect and trust provide the necessary base for a vibrant and sustainable corporate culture. Banks that support successful implementation of only strategies that focus on results and job completion.

The respondents also added that entrepreneurial culture advocated on treating people with respect and trust and provide a necessary base for a vibrant and sustainable corporate culture. A stable entrepreneurial culture, one that will systematically support strategy implementation, is one that fosters a culture of partnership, unity, teamwork and cooperation among employees. This type of corporate culture will enhance commitment among employees and focus on productivity within the organization rather than resistance to rules and regulations or external factors that prohibit success. The rational culture also has an external focus but it emphasizes on stability and control. This type of organization is very result oriented and they try to achieve a competitive advantage by goal achievement and high productivity.

4.3.6 Organizational Positioning, Innovativeness and Strategy Implementation at KCB Bank Group

Organizational positioning is the point at position which the organization is perceived to be in the minds of the clients. Whether deliberately managed or not, an organization will have an identity and be positioned in the mind of your target audience and stakeholders, relative to competitors. *“Positioning of the organization has to be strategic”*. For an organization to be positioned strategically, it needs devising of the desired future position of the organization on the basis of present and foreseeable developments, and the making

of plans to realize that positioning. This pushes for formulation of strategies which can help in positioning an organization. Better methods of implementing the strategies have to be sort after for better performance of the organization.

The firm focuses on external positioning, with innovativeness as the key to its success. The respondents affirmed that leaders are risk-takers and innovators, and employees share a commitment to experimentation. Their goal emphasizes adaptability and being ahead of the latest developments. In the long term, they aim for growth and the acquisition of new resources. In making the decision, organizations are challenged to allocate resources for investing in the future. Proper resource allocation should be carried out and clearly defined in the strategy. An “opportunities register” needs to be maintained so as to ensure that opportunities do not slip through the cracks. Significantly, management of the process is critical. Management needs to re-look at the supply chain knowing that the weakest link is the strongest link.

Unfortunately planning is not appropriate for innovation demands that managers be inventors and not planners by allowing novel ideas to crystallize overtime and increasing commitment as ideas gradually prove their visibility in a progressive manner. Creating new strategies involves confronting people’s cognitive maps, questioning the organization’s culture, threatening individuals’ current interests and disrupting the distribution of power (resistance). These processes, however, cannot be done in a planned sequence.

One of the managers stated that *“changing people’s cognitive map requires complex processes of unlearning and learning thereby changing the way we do business”*. To

succeed managers are required to understand that strategy formation is a disruptive process thus demanding them to be organizational developers as opposed to commanders. They must question assumptions, challenge ideas, get points on the strategic agenda, encourage learning, support change and build political support.

CHAPTER FIVE: SUMMARY OF THE FINDINGS

5.1 Introduction

This chapter presents a summary, conclusions and recommendations of the study. This study focused on establishing the effect of organizational culture on strategy implementation at KCB bank Group.

5.2 Summary of the findings

From the findings, there are various challenges that face strategy implementation. Strategy provides, or should provide the overall plan against which management can excel in difficult times. The choice of strategy is determined by the vision, organization's long term profitability and its relative competitive position within the industry. One of the challenges consisted of organizational culture. Organizational culture is capable of blunting or significantly altering the intended impact of even well thought out strategies in an organization. It affects most parts of organizational life, such as how decisions are made, who makes them, how rewards are distributed, who is promoted, how people are treated and how the organization responds to its environment. Secondly, another challenge that faced strategy implementation was insufficient buy-in. No matter how brilliant top management thinks the new strategy is, if all the leaders and partners did not agree or identify with it, then they would not buy in to the new strategy. This meant that they interfered with the whole strategy implementation plan.

From the findings, insufficient leadership was a factor that affected strategy implementation. Leaders facilitate the transformation of knowledge into action in a smooth and reliable way. This means that leaders think their role is to delegate and draw

up strategies and do not follow up to check whether the strategies were implemented. No follow up finds the strategies start to collect dust, partners lose interest, and eventually, months pass with little or no reference to the plan or real action from firm leaders to move forward with implementation. Ineffective leadership also affects strategy implementation. A good leader needs to work with all sectors to be able to implement a strategy while maintaining the objectivity required in order to make difficult decision. Lack of this while maintaining the objectivity required in order to make difficult decision.

On further analysis, inappropriate strategy can be a challenge in itself to strategy implementation. An enacted strategy can lack being realistic or even honest which may lead. A weak and potentially unachievable strategy may make it hard to enact a firm strategy. A weak strategy may also result from overly aspirational or unrealistic firm leaders or partners who adopt an ill-fitting strategy with respect to the firm's current position or market competition. Once the strategy is not viable, it becomes hard to implement the strategy effectively.

From the findings, organizational culture had a great effect on strategy implementation. The study found out how the organizational culture changed when the strategy was implemented. The interviewees stated that with the new strategy, they now had specific tasks assigned to them with output clearly indicated. Their departments now had annual targets which were reviewed quarterly to ensure that they were on track. Another challenge that came about was when staff did not understand the benefits of a new strategy hence acted as constraints in implementation of the particular strategies. The

study indicated that respondents felt that older staff was rigid to change hence delayed strategy implementation.

The study also indicated that the mission, vision and value of an organization influenced strategy implementation. Mission and vision statements will be important to help communicate the goals of the plan to employees and the public. Mission, vision and value give direction to the organization. A strategy has to be in alignment with these three statements for overall goals of an organization to be met. From the study, the mission, vision, value was deduced to be clear by most of the respondents. However, some did not concur hence more needs to be done to ensure they are clear and known to every staff in KCB Bank Group. Well written mission, vision and value statement ensure that every aspect of strategy implementation is towards the organization's long term goals.

From the study, KCB Bank Group considers market culture as an effect to strategy implementation. Market culture takes a central position in an organization. It focuses on the relationship between KCB Bank and its suppliers, clients and regulators. Through market culture, an organization is able to attain good productivity and profit. It is considered as an essential framework of strategy implementation. Customer demand, technology changes are major components of market culture which affect strategy implementation. Changes in the technological environment led to quicker and efficient communication between departments in the organization as well as with the stakeholders. This in turn leads to successful strategy implementation.

On bureaucratic culture, the study found out that bureaucratic culture affected implementation of strategies in an organization. According to the respondents, leadership

aspects are less seen in a bureaucratic culture. Bureaucracy is often a compromise between competing interests. It is governed by rigid and tight measures and is reluctant to change. Strategies on most occasions bring about change and a formal setting is needed for the strategy to be enacted and implemented well. A bureaucratic culture also ensures stability of a strategy.

From findings, there is evidence of an existing impact of entrepreneurial culture on strategy implementation. It is noted that culture conveys to employees a sense of identity which initiates generation of commitment to something larger than self. Entrepreneurial culture, therefore outlines that the organization is well positioned to external factors and that innovation is highly encouraged by management for strategy implementation. Thus organization should align their strategies on a stable entrepreneurial culture; on that fosters partnership, unity and teamwork.

The study further concluded that organization positioning and innovativeness played an important role in strategy implementation. The management highly encourages innovation for better strategy implementation. It also concluded that better positioning of the organization is important in strategy implementation and overall performance of KCB Bank Group.

5.3 Conclusion

The study focused on effect of various aspects of organizational culture on strategy implementation in KCB Bank Group. In line with the findings the following conclusions are drawn based on the findings and discussions; organizational culture has a strong impact on Strategy implementation in an organization based on its nature and content.

We have seen that it is divided into three aspects; market culture, bureaucratic culture and entrepreneurial culture. The study concludes that equal access to roles and leadership positions across the organization for both men and women contributes positively to strategy implementation by the organization. The study also depicts that top managers should demonstrate their willingness to give energy and loyalty to the implementation process which amount to being flexible thus creating an enabling environment of addressing customer's problems so as to compete well with other players in the industry, in addition flexible culture was found to be highly correlated with strategy implementation which therefore implies that flexible culture in an organization is an important recipe in strategy implementation. In addition flexible culture allows change and increases the effectiveness of strategy execution.

In our case, the study concludes that competitive pressure aids employees coordinate their efforts and apply changes to the organization structure. Further, commitment to focus to organization strategy leads to more investment in strategy specific capabilities. Upgrades in technology in an organization influences smooth running of operations and efficiency in business activities. Based on the findings the study concludes that organization should align their strategies to organization culture, norms and values. Additionally, organizational positioning and strategy implementation influences formulation and implementation of strategies.

5.4 Recommendations

KCB Bank is a stable financial institution hence strategic leadership would require a culture of taking initiative, challenging status quo, exhibiting creativity, embracing

change and willingness to collaborate. Organizational culture enables managers to solve fundamental organizational problems. Focus therefore should be directed at leaders in different capacities as they play the role of coaches in giving general direction, but further encourage individual decision-making to determine the operating details. The bank should encourage developmental culture which has a high flexibility focus that is able to adapt to the forces of the external environment, since organization intend to delight their customers by offering innovative products and creative solutions to their customer's problems so as to compete well with other players in the banking industry. The culture change should be controlled to ensure that is ready to implement its strategies without unnecessary delays.

5.5 Limitations of the study

The limitation of this study was the limit of time and scale of the research, which was done only at KCB Bank Group. Therefore, the limit of sampling chose KCB Bank Group. Meanwhile, KCB Bank Group does not represent for the vast majority of banking institutions, thus the findings of this research may not be generalized to other banks in the region.

Due to time constraint, just 10 managers were selected from strategic department. In the event of a more corroborative research work between the academia and industry, the number of managers and department could be increased.

5.6 Suggestion for Further Research

To augment the results of this study, the study recommends that another study should be done to investigate factors that influence volatility of banking industry. This will be in a bid to understand the factors well for organizational culture on strategy implementation.

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INTERVIEW GUIDE

1. How long have you worked at KCB Bank Group?
2. Give a brief description of your responsibilities in KCB Bank Group?
3. Does KCB Bank Group have challenges in implementing strategies? explain
4. What is the influence of Organizational culture on strategy implementation in KCB Bank Group? Explain
5. In your own assessment, do you think that KCB Bank Group play by the mission, vision and value of the organization? Would you say that vision, mission and values are clear among employees throughout the enterprise? Does this influence the way strategies are implemented?
6. What is the influence of Market culture on strategy implementation in KCB Bank Group? Explain
7. What is the influence of bureaucratic culture on strategy implementation in KCB Bank Group? Explain
8. What is the influence of entrepreneurial culture on strategy implementation in KCB Bank Group? Explain
9. Does organizational positioning and innovativeness effect strategy implementation in KCB Bank Group? Explain
10. What are the other challenges facing strategy implementation in C KCB Bank Group? Explain