ORGANIZATIONAL CULTURE AND STRATEGY IMPLEMENTATION AT AIRTEL KENYA

PRESTON KIPKEMOI MUTAI

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI.

NOVEMBER 2015

DECLARATION

Declaration by the Candidate

I declare that this is my original work and has not been submitted for examination in any institutional body and has been carried out to the best of my knowledge.

SIGNATURE: ….. DATE…………….……...

NAME: PRESTON KIPKEMOI MUTAI

REG: D61/70997/2014

Declaration by the supervisor

The project is submitted for examination with my approval as University supervisor.

SIGNATURE: ………………………………………. DATE……………….……..

PROF. ZACHARY BOLO AWINO,

Department of Business Administration

School of Business

University of Nairobi

ACKNOWLEDGEMENTS

I wish to express my heartfelt appreciation to our Almighty God, for the gift of life and for seeing me through the completion of this project.

I wish to sincerely acknowledge Prof. Zachary Bolo Awino who has guided me every step throughout this project. It would not have been possible without his guidance, encouragement and contribution in the writing of this project.

Special thanks go to my wife Gladys for her support, guidance and encouragement during this period. I also acknowledge my fellow students for their support in reading through my scripts and providing valuable inputs.

I also appreciate support from my parents, sisters and brothers during this tough time of balancing studies, work and family.

God bless you all.

DEDICATION

This work is dedicated to my daughter Shamilla Chepchirchir and niece Shanice Cheptoo to inspire and challenge them to creativity and hard work. Secondly, I dedicate this project to my parents who challenged me to further my studies. Special dedication to my mum and my wife for encouraging me throughout the course of the project. To my Dad, though not with us, has been constant source of inspiration and this is my personal promise I had made to you.

ABBREVIATIONS AND ACRONYMS

CCK	-	Communications Commission of Kenya
EATC	-	East African Posts and Telecommunications Corporation
HPWS	-	High Performance Work Systems
KCA	-	Kenya Communications Act
MVNO	-	Mobile Virtual Network Operators
NCS	-	National Communications Secretariat
OCAI	-	Organizational Culture Assessment Instrument
RBV	-	Resource-Based View
VAS	-	Value Added Services

ABSTRACT

Strategy implementation has attracted much less attention in strategic and organizational research than strategy formulation or strategic planning. Strategy implementation is an enigma in many companies. The problem is illustrated by the unsatisfying low success rate (only 10% to 30%) of intended strategies. The telecommunications industry in Kenya has been rated as the fasted growing sectors in the last 5 years. With the rapid growth, the industry has shifted from having one mobile operator to having other players join in such as Airtel, Telkom. This has caused stiff competition to be stiff among the mobile operators hence causing them to have innovative solutions that will set them apart from the rest. One area where industry players can differentiate themselves is on creating sustainable internal environment that differentiates them from the competition. One of these advantages is the organizational culture. An organizational culture can become a unique market differentiator or a strategic advantage for an organization if deliberately designed to do so. Many organizations failures occur due to lack of implementation and not formulation of strategies and as a result studies have shown that implementation of strategy is critical. There is fierce completion within telecommunications industry in Kenya and Airtel Kenya finds itself in a place where its execution of its strategies is a top most priority to win over the market share. Airtel Kenya has evolved over time in terms of change of ownership that brings about different management styles and cultures. It has foreign investments which play a big role in defining the value system, structures and how work is done. The company also being foreign owned means it has differing cultures, norms and beliefs of the owners (founders) and those of the native Kenyans. It is important to understand the influence these cultural differences has on strategy implementation. Organizational culture is the shared values, beliefs and norms within an organization, and is the foundation from which strategy emerges. In order for strategy to receive sustained support, it must be aligned with organizational culture. Organization's strategy requires a culture that is supportive of change. Company performances are greatly influence by how it executes its strategies. The study therefore was identifying the nature of organizational culture at Airtel Kenya and establishes the extent of influence of organizational culture at Airtel Kenya in the strategy implementation. The study was based on the Resource-Based View (RBV) Theory, Organizational Culture Model and Culture Dimension Theory. The study employed a case study research design which involved an in-depth investigation of a phenomenon – Airtel Kenya. Primary data was obtained through interviews from senior managers of different departments in the company. Data collected was analyzed using content analysis technique. The findings of the study established that Airtel Kenya has two dominant cultures, that is the Market Culture and the clan culture. Characteristics of Adhocracy and Hierarchy culture were also observed. The study established that organization culture has greatly influenced strategy implementation in a positive way at Airtel Kenya. It concluded that the multidimensional nature of culture, making smart managers aware of the reality that they should account all aspects of culture elegantly so that to apply its productive functions. Finally, the findings supply support for the logic idea of highly significant relation between strategic emphases in culture of an organization and its strategy implementation. The study recommended that communication policy to be improved and all the Airtel Kenya departments to be connected through intranet. It also found that culture cannot be ignored in strategy implementation. It recommended that Airtel Kenya should create higher levels of participation and involvement of members in the organization.

TABLE OF CONTENTS

CHAPTER ONE

INTRODUCTION

1.1 Background

Every organization has its own unique personality, just like individuals do. This unique personality of an organization is referred to as its culture. Organization culture is defined as pattern of shared basic assumptions that a group learns as it solves its problems of external adaptation and internal integrations that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems (Schein, 1985). In groups of people who work together, organizational culture is an invisible but is a powerful force that influences the behavior of the members of that group. It includes the shared beliefs, norms and values within an organization. Organizational culture is increasingly understood as a company asset that can be used to increase business performance. Strategy implementation is the process by which strategies and policies are put into action through the development of programs, budgets and procedures (Wheelan and Hunger, 2011). This involves the design and adjustment of the organization through which the administration of the organization occurs. It includes changes to existing roles of people, their reporting relationships, their evaluation and control mechanisms and the actual flow of data and information through the communication channels which support the organization (Chandler, 1962).

The resource-based view (RBV) is one of the most stupendous theoretical perspectives in current strategic management literature. It is based on heterogeneity of resources and capacities held by each firm. These resources and capabilities of the firm tend to be path-dependent, and can only be developed over a long period of time (Barney, 1991).

This research will also utilize a theoretical underpinning of organizational culture types model developed by Cameron and Quinn (2005), which segments organizational culture into four quadrants (Market, Clan, Hierarchy, Adhocracy). Lastly, Hofstede Organizational dimension theory will be used to describe how values in the workplace are influenced by culture; individual's attributes and beliefs are influenced by their personal values and ideals (Hofstede, 1980).

Strategy implementation is recognized as a key management challenge (Dobni, 2003). Great strategies are worthless if they cannot be implemented. It can be extended to say that it is better to implement effectively a second grade strategy than to ruin a first class strategy by ineffective implementation. According to Mintzberg (1994) less than 50% of formulated strategies get implemented. Strategy implementation is a complex process involving different actors and activities that are embedded in firm‘s context (Noble, 1999). However, implementation of strategic decisions poses significant challenges as it is influenced by several environment factors. These are both internal and external factors. The internal environment is composed of various factors among them the prevailing organizational culture. As the strategies get entrenched within the organization, organizational culture is also developed. The prevailing organizational culture can either support or undermine implementation of strategies hence the need for strategy-cultural fit in any organization. This study intends to find organizational culture at Airtel Kenya and strategy implementation.

Telecommunications industry in Kenya like any other industry in the world is ever evolving and very competitive. Customer needs keep changing and each player in the industry is putting in place strategies and products that can assist them to gain market share in a significant way.

Because of the fierce competition telecommunication players in the industry are strategizing to be able to be receptive to market demands and be able to gain competitive advantages. One of these advantages is organization culture that serves as a tool to achieve results better than the competition. Hrebiniak (2005) argued that it is critical for organizations to create a culture of execution in order to succeed with their strategies. Airtel Kenya provides a good focus for the study because of the need to ensure that strategy is executed in the right way for the organization to increase their market share and gain competitive edge over competition.

1.1.1 Strategy Implementation

The process of implementing strategies involves translating strategic thoughts to actions in the organization. Implementation and execution of strategy is an operation-oriented make things happen activity aimed at performing core business activities in a strategy supportive manner (Thomson, 2007).

Strategy, which is a fundamental management tool in any organization, is a multi-dimensional concept that various authors have defined in different ways. It is the match between an organization's resources and skills and the environmental opportunities as well as the risks it faces and the purposes it wishes to accomplish (Miller, 2002). It is meant to provide guidance and direction for the activities of the organization. The purpose of strategy is to provide directional cues to the organization that permit it to achieve its objectives while responding to the opportunities and threats in the environment (Robinson and Pearce, 1997). Johnson (2002), view strategy as the direction and scope of an organization over the long-term, which achieves advantage for the organization through its configuration of resources within a changing environment, and fulfill stakeholder's expectations.

Thomson argues that crafting and implementing strategy are the heart and soul of managing a business enterprise. This is the most demanding phase of strategy management process. Much emphasis has been put on crating strategies but little effort and research has been done on strategy implementation. The leadership guru, Dr. John Kotter have through research proven that 70% of all major change efforts in organizations fail because the organizations does not take the holistic approach required to see the change through (Kotter,2012). This emphasizes the need for more attention on the implementation and execution part of strategic management process.

The concept of strategy revolves around deliberate attempts by an organization to obtain sustainable long term advantage in the delivery of expectations of stakeholders. Strategic management as a process therefore should be viewed in terms of the successful stages under which a strategic plan passes to deliver the expected results. Successful strategic formulation does not guarantee success in the strategy implementation. Strategy implementation is equally important but more challenging since it involves the whole organizations if success has to be reported. Involvement of stakeholders including employees is essential in ensuring that they understand the strategy implementation and also see value in the strategy. Only 10% of formulated strategies are successfully implemented while 90% of well formulated strategies fail at implementation stage (Miller, 2002).

In contrast, there is no agreed upon and dominant framework in strategy implementation. According to Alexander, (1985) major reason why most strategies fail is due to lack of practical and sound models to guide managers and strategy implementers in the process of strategy implementation. Without adequate models, they try to implement strategy without good understanding of multiple factors that must be addressed, often simultaneously to make implementation process a success.

Strategic management is, hence, both a skill and an art. Good strategic management requires both clear thought and sound judgment. Strategic management is the formal and structured process by which an organization establishes a position of strategic leadership. Strategy development is a multidimensional process that must involve rational analysis and intuition, experience, and emotion. But, whether strategy formulation is formal or informal, whether strategies are deliberate or emergent, there can be little doubt as to the importance of systematic analysis as a vital input into the strategy process (Hill and Jones, 2009; Beer and Eisenstat, 2000).

According to Alexander (1985), the ten most frequently occurring strategy implementation problems include underestimating the time needed for implementation and major problems surfacing that had not been anticipated, in addition uncontrollable factors in the external environment had an adverse impact. With regard to people, the capabilities of employees involved were often not sufficient, leadership and direction and "training and instruction given to lower level employees were not adequate" (Alexander, 1985). Although the least frequent in this study in many cases the information systems used to monitor implementation were not adequate.

1.1.2 Organizational Culture

Organization culture is defined as the way of doing things within an environment (Lundy & Cowling, 1996). It is manifested in the typical characteristics of an organization. According to Arnold (2005) organizational culture is the distinctive norms, beliefs, principles and ways of behaving that combine to give each organization its distinct character. This suggests that organizational culture distinguishes one organization from another organization. Therefore, organizational culture is to an organization what personality is to an individual (Johnson, 1990).

It is formed by the organization values, visions, norms, working language, systems, and symbols, beliefs and habits. It is also the pattern of such collective behaviors and assumptions that are taught to new organizational members as a way of perceiving, and even thinking and feeling (Schein, 2009). Organization culture defines the work ways within an organization, this include how people and groups behave, interact with one another, with clients, customers and stakeholders.

Organization culture is developed and socialized overtime. According to Schein (2009) culture is developed from basic assumptions that groups learns as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.

One of the major challenges in strategy implementation appears to be cultural and behavioral in nature, including the impact of poor integration of activities and diminished feelings of ownership and commitment (Aaltonen and Ikavalko, 2002). Marginson, (2002) contend that strategy implementation evolves either from a process of winning group commitment through a coalitional form of decision-making, or as a result of complete coalitional involvement of implementation employee through a strong corporate culture.

Eisenberger, Fasolo and Davis-LeMastro (1990) conducted an empirical study on the strategy implementation and organizational culture. They used a target population of 210 employees and a sample size 110 respondents. They concluded that organizational culture is related to various attitudes and behaviors and that poor organizational culture affects strategy implementation.

The study suggested that managers should ensure that organizational culture takes care of employee needs. Gopinath and Becker (2000) conducted a study titled employee involvement on strategy procedures. Their study used a target population of 350 employees and a sample size of 50 employees. The study concluded that perceived procedural justice concerning the divestment activities of the firm is positively related to post-divestment commitment to the firm.

1.1.3 Organizational Culture and Strategy Implementation

Strategy implementation is critical to effective strategic management. A meaningful strategy will not be a trump card except if is not implemented. Many organizations failures occur due to lack of implementation and not formulation of strategies and as a result believe the implementation of strategy is critical (Homburg, 2000).

Thus, while managers should be careful to develop an appropriate and effective strategy, they should assign the large portion of their attention and resources to activities and tasks which are related to implementation. One of the important components of management that is impacted by organizational culture is strategy implementation. Organizational culture provides support to the strategy and influences the success of strategy implementation (Schein, 2009).

An organizational culture can become a unique market differentiator or a strategic advantage for an organization if deliberately designed to do so (Stinnett, 2001). It is an important prerequisite for strategy implementation. In a different global research it was found out that organizational cultures create high levels of commitment and performance (Martins 2002). Peters (1982) observed that organizations succeed through strong, unified cultures that are produced and reproduced by physical artifacts, symbols, ceremonies, stories, slogans, dress and setting.

Culture is a source of strength or weakness in an organization. It is increasingly understood as a company asset that can be used to increase business performance. It is a source of strength when it creates an environment that allows for cooperation, togetherness and commitment that is necessary for strategy implementation. On the other hand culture becomes a weakness when the beliefs and values shared by the employees are not tandem with organization strategy and as a result it interferes with activities that impact on execution of strategy.

Many organizations oblivious of the cultural diversities within which they exist find themselves unable to successfully implement strategies (Harrison, 2004). Thomson (2007) noted that long standing attitudes, vested interests, inertia and ingrained organizational practices do not melt away when managers decide on a new strategy and there should be an alignment between the strategy that the organization is implementing and the prevailing organizational culture. Oliver (1992) identified cultural fit as one of the forms of fit that affects an organization’s adaptation processes. According to Thompson (2005), an organization with culture that is grounded on values, practices, and behavioral norms that match what is needed for good strategy implementation helps energize people throughout the company to do their jobs in a strategy-supportive manner, adding significantly to the power of a company's strategy execution effort and the chances of achieving the targeted results.

But when the culture is in conflict with some aspect of the company's direction, performance targets, or strategy, the culture becomes a stumbling block. Thus, an important part of the managing the strategy execution process is establishing and nurturing a good fit between culture and strategy.

Relationship among a firm's functional business activities perhaps can be exemplified best by focusing or organizational culture, an internal phenomenon that permeates all departments and divisions of an organization. An organization culture can be defined as pattern of behavior that has been developed by an organization as it learns to cope with its problem of external adaptation and internal integration. Culture in organization is reflected in the way people unconsciously perform tasks, set objectives and administer resources to achieve them. It affects the way make decision, think, feel and act in response to opportunities and threat (Sababu, 2007).

Organizations can be 'captured' by their culture and find it very difficult to change their strategy outside the bounds of that culture. Managers, faced with a changing business environment, are more likely to attempt to deal with the situation by searching for what they can understand and cope with in terms of the existing culture. The result is likely to be incremental strategic change with the risk of eventual strategic drift (Johnson, Scholes and Whittington, 2008).

1.1.4 The Telecommunications Industry in Kenya

In 1948, the East African Posts and Telecommunications Corporation (EATC), responsible for postal and telephone services in the three countries, was set up. The joint administration and operation of the post and telecommunications services continued until 1977, when the East African Community collapsed and a separate Kenya Posts and Telecommunications Corporation was established under the Kenya Posts and Telecommunications Act (Muriu, 2002). Telecommunications sector in Kenya was liberalized in 1998, when the incumbent government owned monopoly, Telkom Kenya, was split into various entities to foster competition in the sector through the deregulation of Kenya Communications Act (KCA).

The KCA repealed the Kenya Posts and Telecommunications Act and provided the current framework for regulating the communications sector in Kenya. The Act unbundled Kenya Post and Telecommunications into five separate entities including Telkom, the fixed line operator; the Postal Corporation of Kenya (Posta); the regulator, the Communications Commission of Kenya (CCK); and the National Communications Secretariat (NCS).

Although the KCA did not allow a monopoly or even a duopoly on telecommunication operations, the government granted Telkom an exclusive license for five years up to June 2004, to allow Telkom to adjust to a competitive business environment. Safaricom limited was formed in 1997 as a fully owned subsidiary of Telcom Kenya through a joint venture with Vodafone UK to provide mobile phone services. A five year duopoly was introduced in the industry by licensing Kencell Communications Limited (Celtel Kenya Ltd) in February 2000. In 2005 the regulator licensed Econet Kenya LTD. CCK, the industry regulator, has future liberated the industry in 2009 when it introduce mobile number portability (MNP). This was to allow customers to migrate to any operator and still retain their mobile phone number.

In 2004 the Commission announced its intention to implement a unified licensing framework as a mechanism of harnessing the emerging technological opportunities as well as address the attendant regulatory challenges. The Commission further adopted in principle a unified licensing and regulatory model with the following as the main segments of the future market structure into three main licenses namely Network Facilities Provider, Applications Service Provider, and Contents Services Provider licenses (CCK, 2004).

The market has grown significantly in last ten years and demonstrates huge potential for growth. According to CCK statistics for Dec 2014, the industry had 33.6 Million subscribers with Safaricom, Airtel and Telcom Kenya controlling a stake of 66.7%, 22.6% and 9.2% market share respectively making Safaricom the distant market leader.

1.1.5 Airtel Kenya

Airtel Kenya is a subsidiary of Bharti Airtel of an Indian Multinational telecommunications Services Company headquartered in New Delhi, India. Bharti Airtel is now the third largest mobile operator in the world with over 303 million customers across 20 countries in Asia and Africa.

The history of Airtel Kenya dates back to the year 2000 when it entered the Kenya market under brand name Kencell which was later rebranded in 2004 to Celtel Kenya. Celtel Kenya was later acquired by Zain group in 2005. On June 2010 the Zain was acquired by Bharti Airtel and rebranded as 'Airtel Kenya'.

Its current name was adopted after Bharti Airtel bought out the Africa mobile operations of Kuwaiti telecommunications firm Zain. The company offers mobile voice & data services, fixed line, high speed broadband, turnkey telecom solutions for enterprises and national & international long distance services to carriers with market share of 22.6%. It acquired yuMobile subscribers in November 2014. It is the first telecommunications operator in Kenya to host mobile virtual network operators (MVNOs) in the country.

Airtel Kenya prides itself of being the most innovative mobile phone operator company in Kenya. This is attested by the many products that it offers namely; Value Added Services (VAS), Airtel Money, Prepaid and Postpaid plans, One Network, 3.75G Network, Blackberry devices and services, International roaming, Local and international text messaging, 24-hour customer care center, Internet access, Directory enquires, SMS information services, Mobile Top up and Me2U services.

1.2 Research Problem

The subject of organizational culture and strategy implementation has direct impact in performance of organizations. Strategies, structures and their implementation are rooted in the basic beliefs and values of organizations and present both limits and opportunities for what may be accomplished (Denison, 1990). Organizations culture differentiates one organization from another and often affects the organization's success or failure. Schein (2004) emphasizes that perhaps the most intriguing aspect of culture as a concept is that it points us to phenomena that are below the surface, that are powerful in their impact but invisible and to a considerable degree unconscious. Schein uses an analogy that culture is to a group what personality or character is to an individual. Strategy implementation on the other hand is the manner in which an organization develops, utilize, and amalgamate organizational structure, control systems, and culture to follow strategies that lead to competitive advantage and a better performance (Johnson, Scholes & Whittington, 2008). Strategy implementation is not possible unless there is stability between strategy and each organizational dimension such as organizational culture.

Airtel Kenya entered the market in the year 2010 when there was only one major operator, Safaricom. There are currently five players namely: Safaricom limited, Orange Kenya, Equitel, yuMobile with estimated customer base of 36M customers (CAK report, 2014).

The study of organizational culture and strategy implementation in Airtel Kenya is supported by the following reasons. First, the company has evolved over time in terms of change of ownership that brings about different management styles and cultures. Secondly, the company has foreign investments which play a big role in defining the value system, structures and how work is done. Lastly, the company being foreign owned means it has differing cultures, norms and beliefs of the owners (founders) and those of the native Kenyans.

Change of ownership means change of organization orientation and organizational culture is not easy to change; it takes time to embed the new culture. Culture drives the way an Organization implements its strategies. The industry in Kenya is characterized by high competition and constant customer needs and was recognized as one of the fastest growing sectors and at the same time witnessing high level of competition in Africa (World Bank Report, 2010).

Past research studies on organizational culture seem to maintain its relationship to other disciplines such as performance and effectiveness (Fey and Denison, 2003). Empirical studies have indicated the value of organizational culture on strategy implementation. For example Arabi (2002) examined the factors affecting strategy implementation and identified factors such as technology, human resource, organizational structure and leadership.

Mushtaq (2008) concluded that there is sufficient evidence linking cultural traits and organizational effectiveness. A study carried out by Schein, (2009) revealed that organizational culture carries critical forces that need to be considered in strategy implementation as fundamental part in implementation.

Locally in Kenya, few studies have been done on the concepts of organization culture and strategy implementation. Aosa (2002) suggested that the very best strategic concepts are nothing if they are not implemented well. This illustrates the importance of implementing strategies to be competitive. Obosi (2010) in his study on influence of corporate culture on strategy implementation in commercial banks found that cultural values are powerful in inspiring employees by appealing to their ideals and clarifying expectations.

Omunga (2009) did a research on organizational culture and strategy formulation in mobile services provides in Kenya. Kanyoi (2012) on his study on leveraging corporate culture as strategy at Safaricom found that culture can be used as a strategy to achieve higher performance. The fact that many studies discuss organizational culture in combination with other factors suggests that effects of organizational culture on strategy implementation are overshadowed thus creating the need for this study.

There is little empirical evidence on how organizational culture influence strategy implementation in telecommunications industry in Kenya. The study therefore sought to establish the extent to which manifestations of organizational culture influences strategy implementation at Airtel Kenya?

1.3 Research Objectives

The objectives of the study were;

i. To identify the nature of organizational culture at Airtel Kenya

ii. To establish the extent of influence of organizational culture at Airtel Kenya in the strategy implementation

1.4 Value of the study

This study was to assist policy makers in the organizations to be in a better position to understand the cultural aspects that influence strategic implementation. This study was to form a rich database of information that other researchers seeking the factors affecting the implementation of strategic plans. Since strategy implementation occurs in almost every organization, the findings of the study were to benefit other strategy managers who might want to improve efficiency and effectiveness of their strategy implementation.

The findings of the study were to assist Airtel Kenya to understand the prevailing organization culture that influences implementation of strategic plans. The finding of the study was useful in providing useful insights to better ways of working and unseen forces influencing strategy implementation. It was also to assist in creating policies that enable favorable environment for effective strategy implementation.

The study was to benefit the academicians, researchers and scholars in contributing knowledge in the area of organizational culture and strategy implementation in organizations. Through a critical analysis of influence of organizational culture on strategy implementation, the study identified gaps left in previous studies on strategy implementation. This study was also conducted to form a basis for further research in how organizational culture influence strategy implementation in organizations.

1.5 Chapter Summary

The chapter covered the background of the study and presented the research problem as well as the research objectives. It showed that strategy is a fundamental management tool in any organization which helps to match between an organization's resources and skills and the environmental opportunities as well as the risks it faces and the purposes it wishes to accomplish.

An organizational culture can become a unique market differentiator or a strategic advantage for an organization if deliberately designed to do so. Organizational culture carries critical forces that need to be considered in strategy implementation as fundamental part in implementation. The chapter established that there is little empirical evidence on how organizational culture influence strategy implementation in telecommunications industry in Kenya.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews previous studies that have been done on the effect of organizational culture on effective strategy implementation. The chapter will cover the theoretical foundations, strategy implementation, organizational culture and studies on effects of organization culture on effective strategy implementation.

2.2 Theoretical Foundation

Theories form the basis on which a study is undertaken. This study was based on two main theories namely resource based theory and organizational culture types model. An understanding of the theories gave major contribution to the study.

2.2.1 The Resource-Based View Theory

The Resource-Based View (RBV) theory is based on the concept of economic rent and the view of the company as a collection of capabilities. It emphasizes the firm's resources as the fundamental determinants of competitive advantage and performance. (Hunt & Morgan, 1995). It is based on two assumptions; first, it assumes that firms within an industry may be heterogeneous with respect to the bundle of resources that they control. Second, it assumes that resource heterogeneity may persist over time because the resources used to implement firms' strategies are not perfectly mobile across firms. Resource heterogeneity (or uniqueness) is considered a necessary condition for a resource bundle to contribute to a competitive advantage.

The performance differentials are viewed as derived from rent differentials, attributable to resources having intrinsically different levels of efficiency in the sense that they enable the firms to deliver greater benefits to their customers for a given cost (Peteraf and Barney, 2003). According to Barney (1991), a firm resource must, in addition, be valuable, rare, and imperfectly imitable and non-substitutable (VRIN) in order to be source of a sustained competitive advantage.

This can be realized when a firm has a human resource pool that cannot be imitated or substituted by its rivals or competitors. The RBV as a basis of competitive advantage lies primarily in the application of the bundle of valuable resources at the disposal of the firm. The firm has to identify the key potential resources which should fulfill the criteria of being valuable, rare, in-imitable and non-substitutable by the firms' competitors in the area in which the firm operates (Galbreath, 2005).

According to Michael Porter's five forces (Porter, 2008), traditional strategy models such as model focus on the company's external competitive environment. Most of them do not attempt to look inside the company. In contrast, the resource-based perspective highlights the need for a fit between the external market context in which a company operates and its internal capabilities. Collis and Montgomery (1995) describe two features of a strategic resource that enhance inimitability and that characterize High Performance Work Systems (HPWS), these are, path dependency and causal ambiguity. Path dependency characterizes resources that are developed over time such that learning and experience provide cumulative "first mover" advantage. A competitor cannot simply purchase an equivalent resource from the market and "catch up" with a rival firm. Causal ambiguity describes resources whose content and essential ingredients are so subtle and difficult to fully comprehend that observers outside the firm are not able to reproduce in their own organizations (Lado & Wilson, 1994).

The resource-based view of the firm (RBV) combines two perspectives: the internal analysis of phenomena within a company, and an external analysis of the industry and its competitive environment. It is fundamental because it directs in their resource-based strategy implementation. Thus, bringing together the firm's resources and the competitive environment in a single framework could help to understand how resources contribute to performance (Priem and Butler, 2001) and how resources influence competitive dynamics.

2.2.2 Organizational Culture Model

Cameron and Quinn (2005) present a statistically validated and widely used tool to diagnose culture called Organizational Culture Assessment Instrument (OCAI) which was first based on the Competing Values Framework, which is founded in the work of Quinn and Rohrbaugh (1983). During their analysis, they discovered four quadrants of organizational success which were Clan, Adhocracy, Hierarchy and Market.

According to Cameron and Quinn (2005), hierarchy cultures emerged because the environment was relatively stable. Due to that fact tasks and functions could be integrated and coordinated, uniformity in products and services was maintained and workers and jobs were under control. Clear lines of decision-making authority, standardized rules and procedures, and control and accountability mechanisms were valued as the keys to success. They argued that a company with such an organizational culture is a formalized and structured place to work. Cameron and Quinn (2005) stated that procedures in the hierarchy culture govern what people do; formal rules and policies hold the organization together. They stated that the long-term concerns of the organization are stability, predictability, and efficiency under hierarchy culture.

In contrast to the stable environment assumption of the hierarchy culture, the basic assumptions in a market culture are that the external environment is hostile rather than benign, consumers are choosy and interested in value, the organization is in the business of increasing its competitive position and the major task of management is to drive the organization toward productivity, results, and profits. It is assumed that a clear purpose and an aggressive strategy lead to productivity and profitability (Cameron and Quinn, 2005). A market culture therefore has to be a results-oriented workplace. The tough and demanding leader of the market culture will not last long in a clan culture.

In a clan culture, a more team-oriented approach is needed. Basic assumptions in a clan culture are that the environment can best be managed through teamwork and employee development, customers are best thought of as partners, the organization is in the business of developing a humane work environment, and the major task of management is to empower employees and facilitate their participation, commitment, and loyalty (Cameron and Quinn, 2005). Sharing the same values, beliefs, and goals is paramount, especially in rapidly changing, turbulent environments. In general, the clan culture is typified by a friendly place to work where people share a lot of themselves. The fourth organizational form is called adhocracy. The root of the word adhocracy is ad-hoc implying something temporary, specialized, and dynamic. Adhocracies can be found in environments that are even more turbulent than those in which clan cultures thrive.

A major goal of an adhocracy is to foster adaptability, flexibility, and creativity if uncertainty, ambiguity, and information overload are typical (Cameron and Quinn, 2005). In sum, the adhocracy culture is characterized by a dynamic, entrepreneurial, and creative workplace. People stick their necks out and take risks. Effective leadership is visionary, innovative, and risk oriented. The glue that holds that organization together is commitment to experimentation and innovation (Cameron and Quinn, 2005).

2.2.3 Cultural Dimension Theory

The theory of cultural dimensions describes the effects of a society's culture on the values of its members and how these values relate to behavior, using a structure derived from factor analysis. Hofstede (1980) identifies three dimensions that societies choose to cope with the inherent uncertainty of living: masculinity versus femininity, long-term orientation, amount of uncertainty avoidance and power distance (strength of social hierarchy).

According to Hofstede (1980), uncertainty avoidance is defined as the extent to which members of an organization or society strive to avoid uncertainty and alleviate the unpredictability of future events by reliance on social norms, rituals and bureaucratic practices Power Distance is defined as the degree to which members of an organization or society expect and agree that power should be unequally shared. Low power distance implies greater equality and empowerment. High power distance is related to issues of hierarchy. Masculine versus Feminine Cultures has cultural differences related to values, whereby in highly masculine cultures the dominant values relate to assertiveness and material acquisition and their strengths lie in efficiency.

In highly feminine cultures, values focus upon relationships amongst people, concern for others and quality of life, and their key strength is personal service. Hofstede noted the employees' behavior in their workplace is influenced by three different cultures: their national, their occupational and their organizational culture. The five dimensions model is widely used in many domains and particularly in the field of business. When it comes to business, promoting cultural sensitivity will help people work more effectively when interacting with people from other cultures, and will participate to increase efficiency in doing work (Munjau, 2013).

2.3 Empirical link between Organizational Culture and Strategic Implementation

Cole, (1995) describes organizational culture as the sum of dominant values, visions, perspectives, standards and modes of behavior that typify an organization. He argues that the dominant culture affects the stakeholders of the organization. McNeal, (2009) argues that organizational culture forms in response to the need for external adaptation and survival as well as internal integration. External adaptation and survival involve finding a niche to enable the organization to cope with the changing environment. Internal integration entails development of language and concepts, group and team boundaries, power and status as well as rewards and punishment in order to establish and maintain effective working relationships among the members of an organization.

According to McNeal, (2009) various aspects of culture exist at different levels within an organization. Shared assumptions and philosophies form the inner most layer. The next layer is organizational cultural values which are the collective beliefs, assumptions, and feelings about what things are good, normal, rational and valuable. The next layer is the shared behaviors which include the norms; they are more visible and easier to change than values. The top most layer has the cultural symbols which are the words, gestures, pictures and other physical objects which carry meaning with a culture; they are the most visible and most superficial.

Ansoff (1999) views strategy in terms of market and product choices and Porter (1996) defines strategy as a creation of a unique and vulnerable position of tradeoffs in competing, involving a set of activities that neatly fit together, that are simply consistent, reinforce each other and ensure optimization of effort.

Strickland (2001) argues that there are various steps involved in strategy implementations. He advocates that strategy managers have to innovate motivation and remunerations in close relationship with objectives and strategies. The strategy managers have also to focus on forming an organizational culture to adjust to strategies though creating common values, defining ethical criteria, creating a workplace which supports strategies and creating high achievement motives in the culture of organization. The strategy implementation process also entails performing leadership strategies that will lead the process of value formulation, culture development and empowering implementation, developing and saving innovations, responsibility to environment and using opportunities, considering political aspects of strategies, confronting power conflicts and creating consensus, posing ethical criteria and behavior innovating modifications for improving implementation of strategies.

While people are critical in strategy implementation, their level of motivation might be a driving force towards the success of the process. The basic cultural requirement to earn a living must therefore be integrated into the motivational innovations aimed at driving people towards implementation of strategies and creating operational & administrational systems which can empower strategies.

One of the major challenges in strategy implementation appears to be cultural and behavioral in nature, including the impact of poor integration of activities and diminished feelings of ownership and commitment (Aaltonen and Ikavalko, 2002). The link between culture and performance can be traced back to the Hawthorne Studies that discovered the presence of an informal social system and shared assumptions and beliefs amongst the workers.

Denison, (1990) suggests in his general management framework that effectiveness is a function of values and beliefs (culture) held by organization members, policies and procedures (behavior), translating the core values and beliefs into policies and practices in a consistent manner.

A culture that is rooted in strategy supportive values, practices and behavioral norms adds to the power and effectiveness of a company's strategy execution effort. For example if a company is innovative and a technological leader, strategies would require a culture of taking initiative, challenging status quo, exhibiting creativity, embracing change and willingness to collaborate (Comerford, 1985). A stable 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 organizational 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.

Strategy is about intent and ingenuity and culture determines and measures desire, engagement, and execution. Culture therefore plays a very important role in how strategy in created, understood and implemented as it lays down the ground rules that are vital for day to day work of an organization. It fuels the spirit of championing a cause within organizations. When culture embraces strategy, execution is scalable, repeatable, and sustainable and as a result becomes a sustainable competitive advantage. Organizational culture are not easily copied from one organization to another, it takes time to build a supportive culture that ensures that organization strategies are not at risk. Culture trumps strategy because it is the only sustainable point of difference for any organization (Schein, 2009).

Strategy implementation involves both macro-organizational issues (e.g., technology, reward systems, decision processes, and structure), and micro-organizational issues (e.g. Organization culture and resistance to change). There are many ways in which organizational culture aids and supports strategy implementation. First is that it defines how individual actors in the larger organization will view the strategy and its implementation process. Secondly is that it defines the mode of communication within a group. Communication has been recognized as both a key ingredient and a problem in strategy implementation (Redding, 1985). Thirdly is strategies are normally formed within the existing organization culture; it therefore has to be adjusted to fit into the new strategies. 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.

Hierarchy culture is characterized by a controlling environment where there are clear lines of decision-making authority, standardized rules and procedures, and control and accountability mechanisms are valued as the keys to success. Gopinath and Becker (2000) described hierarchy culture as perceived procedural justice concerning the divestment activities of the firm which is positively related to post-divestment commitment to the firm. The market culture type promotes a results-oriented workplace.

Market culture assumes that management drives the organization toward productivity, results, and profits. It also assumes that external environment is hostile rather than benign. In this culture, important strategies are not effectively implemented if they don’t directly improve productivity and profits. According to Narver & Slater (1990), market culture is a group culture aimed at maintaining a high level of firm performance by effectively and efficiently executing actions required to gain customer value.

The basic assumptions in a market culture are that the external environment is not benign but hostile, consumers are choosy and interested in value, and the organization is in the business of increasing its competitive position. A number of researchers observed fundamental differences between the market, hierarchy, and clan forms of culture. According to Cameron and Quinn (1998), typical characteristics of clan culture is teamwork, employee involvement programs and corporate commitment to employee. Some basic assumptions in a clan culture are that the environment can best be managed through teamwork and employee development, customers are best thought as partners.

A major goal of an adhocracy is to foster adaptability; flexibility and creativity where uncertainty, ambiguity and/or information overload are typical. This culture is characterized by temporary roles and responsibilities depending on changing client problems, as well as creativity and innovation were the most visible ones. An important challenge of this culture is to produce innovative products and services and to adapt quickly to new opportunities. A high emphasis on individuality, risk taking and anticipating the future exists as almost everyone in an adhocracy becomes involved with production, clients, research and development and so forth.

According to peace and Robinson (1997) strategic implementation can be seen as a combination of strategic formulation and strategy implementation. Strategy implementation involves doing a situation analysis of both internal and external environment, setting the vision, mission and objectives of the organization, and suggestion a strategic plan to achieve the set objectives. Strategy implementation involves allocating sufficient resources, establishing chains of command and reporting structure, assigning responsibility of specific tasks and process to specific individuals or groups and managing the process.

The main critical phase of strategic management process is translating the strategic plan into actions (Pearce and Robison, 1997). Once strategies have been formulated, the need to be implemented for the company to at in its objectives. The strategies need to be translated from high level conceptual term into more detailed policies that can be understood at the functional areas such as marketing. Research and development, production, human recourses finance and information communication and technology.

David (1997) stated that only 100%of formulated strategies are successfully implemented while 90% of well formulated strategies fill at implementation stage. Ansoff and McDonnell (1990) noted that while implementing strategy is such an important activity, it is not easy. Most excellent strategies fail when attempts to implement them are made. according to Pearce and Robinson(2002)the reason that have been advanced for the success or failure of strategic implementation revolves around nature of the short term objectives and sub-strategies, the allocation of resources, the fit between structure and strategy, leadership, communication process and the organization culture.

The implementation of the appropriate strategic remains one of the most difficult areas of management. Considerable thought, energy and resources is given over to devising a strategic plan. Mintzberg (1994) noted that the plan, rather than the implementation comes in for scrutiny when a strategy fails because it is less problematic to analyze. But the whole point of strategic is that it will be implemented and implemented successfully. Effective implementation results when organization resources and actions are tied to strategic priorities and set objectives achieved, and when key success factors are identified and performance measure and reporting are aligned (Deloitte and touché, 2003).

Johnson and Scholes (2002), view strategy as the direction and scope of an organization over the long-term, which achieves advantage for the organization through its configuration of resources within a changing environment, and fulfill stakeholder's expectations. Strategy implementation evolves either from a process of winning group commitment through a coalitional form of decision-making, or as a result of complete coalitional involvement of implementation staff through a strong corporate culture.

More recent articles confirm notable barriers to successful strategy implementation about which there appears to be a degree of accord including Beer and Eisenstat's (2000) "six silent killers of strategy implementation" These comprise: a top-down/laissez-faire senior management style, unclear strategic intentions and conflicting priorities, an ineffective senior management team, poor vertical communication ,weak co-ordination across functions, businesses or borders and inadequate down-the-line leadership skills development .

Reed and Buckley (1988) discussed problems associated with strategy implementation identifying four key areas for discussion. They acknowledge the challenge and the need for a clear fit between strategy and structure and claim the debate about which comes first is irrelevant providing there is congruence in the context of the operating environment. Goal setting and controls are also recognized as problematic, identifying co-ordinate targets at various levels in the organization is difficult and the need for control is heightened as uncertainty and change provide a volatile environment, a point supported by Tavakoli and Perks (2001).

Al Ghamdi (1998) replicated the work of Alexander (1985) in the UK and found that 92 percent of firms implementation took more time than originally expected, that major problems surfaced in 88 percent of companies, again showing planning weaknesses. He found the effectiveness of coordination of activities as a problem in 75 percent and distractions from competing activities in 83 percent cases. In addition key tasks were not defined in enough detail and information systems were inadequate in 71 percent of respondents. What is interesting is that there is congruence between these findings, which implies that lessons have still not been learned; as Al Ghamdi states, "the drama still continues" (Al Ghamdi, 1998).

2.4 Empirical Studies and Knowledge Gaps

Through decades of empirical research, scholars have established abundant links between organizational culture and strategy implementation. Harrison, (2004) conducted a study on organizational culture and identified seven features which he called classical attributes of bureaucracy. The first feature that was identified was hierarchy among others (rules, specialization, meritocracy, separate ownership, impersonality and accountability). However, the study did not link hierarchy as a culture to strategy implementation which is the focus of the current study.

Strategy process subfield is concerned with the decision processes and administrative systems that influence firm's strategic positions. Strategy process research is thus concerned with how companies achieve and maintain their strategic and resource positions through both deliberate and trial-and-error actions. It is also concerned with adapting companies to changes in the environment and renewing them proactively.

Hernandez (2004) describe strategy process as the procedures the business will follow to formulate its strategy content. Mintzberg (1987) has distinguished between realized and intended strategies and pointed out that realized strategies often emerge and are not intended. Burgelman (1983) proposed that the strategy process has to take into account both the intended and emerging actions. According to Moncrieff (1999) there are three sources for strategic outcome: implementation of an earlier strategic intent, deliberate responses to emerging issues in the environment, and actions of people working in ignorance of the strategy. The strategy process needs to take into account and manage all these three different sources of strategic outcome. As Chakravarthy and Doz (1992) noted, the strategy process also has to take into account changes in the environment and internal competencies and make the necessary adaptations.

Narver & Slater (1990) in his study found that hierarchy culture is a formalized and structured place to work. They found that its' long-term concerns are stability, predictability and efficiency. Their study concluded that formal rules and policies hold the organization together and that key values center on maintaining efficient, reliable, fast and smooth-flowing production in organizations which is evidence of a successful implementation of strategies. They however did not study on other three cultures as proposed by (Cameron and Quinn, 2005).

Ashford and colleagues (1989) conducted an empirical study on relationships between perceived job insecurity and intention to quit aimed at identifying the effect organizational culture on strategy implementation. Using a target population of 300 employees and a sample size of 90 employees, the study concluded that there is a positive relationship between organizational culture, perceived job insecurity and intention to quit.

Eisenberger, Fasolo and Davis-LeMastro (1990) conducted an empirical study on the strategy implementation and organizational culture. They used a target population of 210 employees and a sample size 110 respondents. They concluded that organizational culture is related to various attitudes and behaviors and that poor organizational culture affects strategy implementation. The study suggested that managers should ensure that organizational culture takes care of employee needs.

Gopinath and Becker (2000) conducted a study titled employee involvement on strategy procedures. Their study used a target population of 350 employees and a sample size of 50 employees. The study concluded that perceived procedural justice concerning the divestment activities of the firm is positively related to post-divestment commitment to the firm.

Abdi (2009) conducted a study about the challenges of strategy implementation at Laborex Kenya Limited. One of the challenges he focused on was organizational culture. His findings revealed that the cultural relationship with stakeholders influenced strategy implementation to a greater extent. Not all strategies that fever all the stakeholders and this might affect the effective implementation process. However, the study was done at laborex Kenya while the current study focuses on Airtel Kenya Limited.

According to the empirical evidence by Comerford (1985), transactions with external constituencies including suppliers, customers, contractors, licensees, unions, regulators and so forth hinder effective strategy implementation. He identified the core values as competitiveness and productivity. Competitiveness and productivity in market organizations are achieved through a strong emphasis on external positioning and control where consumers are choosy and interested in value. The current study will show the relationship that exists between market culture and strategy implementation.

A number of researchers observed fundamental differences between the market and hierarchy forms of design in America and clan forms of design in Japan (Ouchi, 1981; Athos, 1981). According to Ouchi (1981), clan type firms in America are based on teamwork, employee involvement programs and corporate commitment to employee. The current study thrives to link clan culture and strategy implementation. In China, Athos (1981) found that lack of team work affects strategy implementation. When customers are best thought as partners and the organization is in the business of developing a humane work environment, strategies become difficult to implement.

Cameron, Quinn (1998) argues that clan culture type organization is held together by loyalty and tradition where the organization emphasizes the long-term benefit of individual development with high cohesion and morale being important. These studies were not done in Kenya and therefore it is important to conduct a study in Kenya and identify how market culture affects strategy implementation.

Empirical study on adhocracy culture by Al-Ghamdi (1998) shows that a major goal of an adhocracy is to foster adaptability, flexibility and creativity where uncertainty, ambiguity and/or information overload are typical. An important challenge of these organizations on implementing these strategies is luck to produce innovative products and services and not to adapt quickly to new opportunities. A high emphasis on individuality, risk taking and anticipating the future exists as almost everyone in an adhocracy becomes involved with production, clients, research and development and so forth. More empirical evidence is required on adhocracy culture and how it influences strategy implementation.

2.5 Chapter Summary

The chapter discussed the Resource-Based View (RBV) theory, Organizational Culture Model and Cultural Dimension Theory. The Resource-Based View (RBV) theory focused on the internal analysis of phenomena within a company, and an external analysis of the industry and its competitive environment. Organizational Culture Model discussed the four quadrants of organizational success in detail which were Clan, Adhocracy, Hierarchy and Market. Finally.

The theory of cultural dimensions describes the effects of a society's culture on the values of its members and how these values relate to behavior, using a structure derived from factor analysis. The empirical link between organizational culture and strategic implementation showed that organizational culture forms the need for external adaptation and survival as well as internal integration.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents an outline of the research methodology that was used in this study. It describes the research design, data collection methods and a conclusion of data analysis and presentation methods that were used in this study.

3.2 Research Design

This study was conducted through a case study research design. This design was used because the study involves an in depth study of the influence of organizational culture on strategy implementation at Airtel Kenya. As Ngechu (2004), states, the use of case study comes in handy when an in depth investigation of an individual group, institution or phenomenon is required.

Since a case study is an in-depth investigation of a single individual, group, institution or phenomena, it may serve to explore causation in order to find underlying principles. The data obtained is usually more detailed, varied and most extensive. Ngechu (2004) indicates that a case study, in most cases, involves qualitative data.

3.3 Data Collection

The researcher used an interview guide as primary data collection instrument. Primary data was obtained through interviews from senior managers of different departments; which was the CEO Office, Networks, Corporate Communications, Marketing (2), Customer Service, Airtel Money, Sales and Distribution and Finance. This made a total of nine respondents.

The interview guide consisted of open-ended questions aimed at obtaining information on the influence of organizational culture on strategy implementation at Airtel Kenya. Cooper and Schindler (2003) states that an interview guide is useful in directing the researcher towards the topic under study.

3.4 Data analysis

Karlirger (2000) points out that, data analysis means categorizing, ordering, manipulating and summarizing of data to obtain answers to research questions. Before processing the responses, the completed interview guide was edited for completeness and consistency. Content analysis technique was used to analyze the data collected.

Content analysis is a systematic detailed qualitative description of the objectives of the study. It involved observation and detailed description of objects, items or things that comprised the study. This method made it possible to analyze and logically group the large quantity of data and compile the rest of the study. The researcher used the data to present the research findings.

3.5 Chapter Summary

This study adopted a case study research design. The use of case study comes in handy when an in depth investigation of an individual group, institution or phenomenon is required. Interview guide was used as the primary data collection instrument. Primary data was obtained through interviews from senior managers of different departments.

Content analysis technique was used to analyze the data collected which involved observation and detailed description of objects, items or things that comprised the study. It involved observation and detailed description of objects, items or things that comprised the study.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the study findings on how a manifestation of organizational culture influences strategy implementation at Airtel Kenya. The study findings are discussed in five segments; general information of the respondents, the hierarchy cultural, market culture, clan culture and adhocracy culture.

4.2 General Information

The study targeted a total of nine senior managers of different departments in Airtel Kenya. All the nine respondents were successfully interviewed which made a response rate of 100%. The researcher requested respondents to state the position they hold in the company. All the interviewees were senior managers and head of sections of various departments in the company which were: head of Airtel Money Projects, Personal assistant to the MD, Network Services manager, Customer value manager, Head of VAS and Messaging, Corporate Communications Manager, Head of Modern Trade, Revenue Planning Manager and Head of Retail Shops.

The researcher also asked about the number of years the interviewees had worked in the organization in order to determine their working experience. It was found that majority of the senior managers (55.56%) have worked with the organization for 5 years and above while 44.44% have worked with the organization for 4 years and below. The interviewees' responses hence had the advantage of good command and responsibility being that they held senior positions and had experience and aptitude owing to their years of experience in the company.

4.3 Nature of Organizational Culture at Airtel Kenya

The researcher asked respondents to confirm if Airtel Kenya has a vision and mission. All the respondents were in agreement that the company had a vision and mission statements. They specified that the vision is “Connected people are inspired people. We connect Africa’s people to each other, empowering them to create opportunities, dream big and live well” and mission “Providing globally admired technologies and services to give Africa an easy and dependable way to connect to the world.” The respondents explained that vision and mission statements are in most cases the guiding factor in the development of the strategies. The respondents argued that strategy in itself is an important tool that the company uses to know what it is supposed to do and at what time towards achieving its mission and vision. As a result, a mission and vision policy guide towards the achievement of strategies.

The researcher asked respondents if Airtel Kenya has implemented any strategies and all the respondents were in agreement that they have implemented many strategies. The respondents explained that operational committee consisting of senior managers, heads of functions, executive management and all directors are involved in the implementation process but stated that everyone has a role to play in the process.

Interviewees responded that implementation of strategy demands ownership and participation at all levels of management from top management. Interviewees agreed that effectiveness of strategy implementation is, at least in part, affected by the quality of people involved in the process. Committing to and owning the process is central to effective execution. The execution tasks, jobs, and responsibilities vary across levels, but they are all interdependent and important. However, top management is crucial in guiding strategy implementation in an organization.

The researcher requested respondents to describe Airtel organizational culture. The respondents described Airtel as diverse, flexible dynamic, changing overtime, accommodating result oriented, market oriented and work oriented. The company is innovative, risk averse on day to day roles, people work on their own, roles are department based, results oriented, top down structure approach, mentoring, professional culture, dependency within functions, and relaxed controlled and structured leaders are innovative. The culture is vibrant, innovative, diverse challenging and very results oriented with passion to succeed and has open door theme of working. Employees are trusted with their tasks, ambitious and the culture allows delegation of duties. From the findings, both clan and market cultures exist in the company. The clan culture is manifested by teamwork where employees work as a family mentoring each other, there is mutual and high trust between employees and management.

Respondents interviewed agreed that previously culture has stifled strategy implementation. This is because some employees had different culture and mentality and maintains a particular work ethics. The existence of culture and tradition as a challenge has resulted a times to resistance to change and different approach to work, collective responsibility and procedures of work hence strategic plans not being implemented in time. It was also observed that culture supports or derails a project by how it's accepted and implemented, the pace of implementation, ways of working, kind of support required and departmental interlinking organization set up will influence decision making needed in implementation. It affects how people relate, communicate and collaborate in tasks during the implementation.

The findings showed that most of the time, work oriented means roles are defined and developed to different departments. It means several strategies implemented in parallel. There is need for optimization of resources. Respondents explained that roles are defined and devolved to different departments, creates supervision on any new culture, encourages achieving the objectives and supports strategy, allows networking to market conditions and teamwork and trust makes people to work together.

4.4 The Market Culture

In this section, the researcher sought to find out how competitive, customer interests, internal conflicts, no-nonsense, aggressive, results oriented and market changes values of Airtel Kenya Limited influence strategy implementation. The culture at Airtel emphasizes productivity and achievement with clearly defined objectives for external competitiveness. Efficiency and profit orientation are conducive to the implementation of strategies that focus on achieving superior quality and competitiveness. Understanding customer and developing close relationships with them are keys strategies for gaining the competitive advantage that is so ingrained in the rational culture. Gathering and using quality information can also provide the strategic advantage in the external markets that are the focus within a rational culture.

The researcher asked respondents if customers' interests are ignored in decision making of the organization. All the respondents clearly stated that the interests are well factored in during decision making at Airtel Kenya Limited. Through factoring in their decisions, Airtel is able be customer centered and that inform what the organization need to focus on and defines the urgency and speed of implementation.

The interviewees stated that the methods of work that are in place to gain advantages over rivals are better engagement of employees, market intelligence, flexibility, technical competencies, frequent market visits, having open door policy and empowering employees. The interviewees argued that Airtel Kenya solves internal conflicts to avoid ineffective service through involving all the stakeholders, ensuring that there employees perform their duties in line with the company goals, defined service level agreements are agreed for all dependencies and setting the organizational structure for effective support of customer.

The respondents agreed that the organization feel market changes and react contemporary. Airtel Kenya is very quickly and all changes from the market are implemented immediately. This allows for long-term and short-term strategies in place. Fast effects of strategy on the market condition need to be in-cooperated by reacting faster for the organization to adopt with the environmental changes that can help it achieve its strategy. Respondents also argued that there are a lot of reactive strategies that emanate from market forces and the organization makes sure that they are factored in the strategy and consistently scanning the environment for new ideas will enable the company formulate quality strategies and be ahead of time. Market culture at Airtel Kenya is control oriented and focuses on external organization affairs. It uses observation and resistance to reach higher level of productivity and competitiveness in its strategies.

4.5 The Clan Culture

The study in this section sought to find out about teamwork among employees, competition, performance and rewards at the organization. All respondents stated that there is teamwork among employees at Airtel Kenya.

They explained that creating understandings between team members however when compromised can cause delays in deliverables during strategy implementation. Teamwork is vital to make sure that the organization is moving in one direction and ensure that all strategies are well implemented. The respondents indicated that that silent influence on strategy implementation comprises of unclear strategic intentions and conflicting priorities and weak teamwork across functions.

Addition key tasks are well defined in enough detail and information systems are adequate at Airtel Kenya resulting in successful strategy implementation. However, they felt that there are proper procedures of ensuring that employees participate well in strategy formulation which can make them own strategies and hence execute them effectively because of clear teamwork. Strategic control systems provide a mechanism for keeping today's actions in congruence with tomorrow's goals and the effectiveness of coordination of activities through teamwork is a problem and distractions from competing activities in some cases.

Employees rarely compete on some tasks at Airtel Kenya. Each employee has different targets to meet, have divided roles, benefits of keeping everyone on toes and to make sure everyone is on their game attracts competition at Airtel. This influences strategy implementation negatively at various levels. Individual performance influences strategy implementation since that's key ingredient for implementation.

Individual performance is measured and rewarded, each employee contribution is key to achieving overall strategy, it's the key since roles are divided, and role dependency on tasks ensures that everyone is obligated to play their part, failure to deliver impacts the strategy and strategy is key and everyone's input is vital.

Interviewees responded that they reward individually and as a group. There is an incentive to do more than asked to and employees are dedicated and motivated. The company rewards best behaviors, exemplary results and creates role models. Employees are also frequently rewarded for job well done. The managers explained that management agrees easily on some issues even concerning hard problems in the organization. This creates conducive environment for business and ensures that business is always in line with the objectives. Management is the custodian of strategy and make sure they are achieved in line with the objectives. Management engages on problems faced and provides leadership and solutions, provides leadership which is critical in the rest of the organization and allows opportunity to engage and get executive backing.

4.6 The Hierarchy Culture

In this section, the researcher sought to find out the internal efficiency, norms and rules which are followed, cooperation and dominant characteristics of Airtel Kenya. The researcher asked interviewees about the hierarchy of the organization. The study confirmed that the hierarchy is clear, it is easy to access management, delivering process is short and there is a defined way of working and sharing information to the whole organization. Respondents stated that the company has a pyramid like structure with defined channels of working and sharing information. The hierarchy is not steep but flat like in nature which contributes to strategy implementation. The hierarchy facilitates flow of information and ways of working which enhances work and improves the implementation process. The hierarchy at Airtel Kenya provides clear management levels for business approvals which results in a faster strategy implementation.

The interviewees explained that Airtel Kenya is defined by stability and control as well as internal focus and integration. Employees value standardization, control and a well-defined structure for authority and decision making. An effective leader organizes, coordinates and monitors employees and processes.

Most of the respondents moderately agreed that how managers make decisions and the dominant values and beliefs, the norms affect strategy implementation. The respondents stated that the informal norms and rules which are to be followed by everyone influences strategy implementation at Airtel Kenya Limited. Open door policy ensures that there is access and assistance during the implementation process and it creates comfort and confidence in management to execute strategies. Informal norms and rules allow room for growth and generation of ideas and allow flexibility of working which makes execution effective. The nature of interaction and how employees relate also are determined by the norms which influences the way strategies are implemented at Airtel Kenya. Interviewees argued that the rules factors in strategies of the organization and works towards achieving the implementation of those strategies. Respondents however stated that rules do not limit employees to one way of working but creates freedom and options during strategy implementation.

The formal rules of Airtel Kenya also influence strategy implementation. Relaxed enrolment which ensures staff does not feel restricted thus enables employees to execute strategies effectively. The rules shape towards implementation of strategies by aligning everyone on the role to be done, defines boundaries to work in and accepted behavior which everyone needs to employ, provides relaxed environment for the staff not to feel restricted, focuses on achieving results, creates necessary discipline but does not instill fear on the implementers and allows strategy implementation process to be executed on a comfortable environment where employees own the strategy.

Interviewees were asked if every employee needs instructions and regulations to govern every process of work. All employees stated that every employee does not need instructions and regulations to govern every process of work. It depends on the level of strategy, senior managers have more freedom to execute which creates flexibility, top management and managers do not need instructions, new things require one to create new ways of working, everything is process oriented which gives employees an option to pick the best option, provides leeway for employees to decide how to achieve their targets, employees collaborate and engage on issues that need support from everyone, it gives flexibility and freedom to execute best ways possible and employees can add value in and be flexible. The interviewees explained that the strict control spending of resources in strategy implementation limits number of strategies but also ensure focus on few important strategies.

4.7 The Adhocracy Culture

The section sought information about the adhocracy culture of Airtel Kenya by asking respondents about the company perspectives, communication culture, availability of information, coordination of projects, new idea, representatives of groups and how each influences strategy implementation. Researcher asked interviewees if all employees have equal perspectives. They explained that majority have similar company perspectives but at different levels. On overall objectives, employees have similar perspectives for alignment of company focus.

Respondents were asked how the communication culture affected implementation of strategies at Airtel Kenya. The findings showed that a proper communication strategy has increased the success and availability of information, creates visibility to all for all business priorities, creates visibility on where the company is at and lack of communication leads to delays of strategic objectives. All respondents were in agreement that lack of communication makes everyone not aware of the strategy but when well and fully communicated makes everyone aware.

The managers highlighted that communication is the most critical factor in determining the success or failure of a strategy initiative. Interview results indicated that communication is the area that has improved at Airtel Kenya. All interviewees said that there is room for improved communication for proper coordination especially in the management level during strategy implementation.

Other head of departments confirmed that communication of responsibility is totally lacking. Previously lower level officers are not involved in the strategic planning process. While top level managers where head of departments belong are involved, lower level managers were merely assigned responsibilities derived from the strategic plan by their immediate supervisors. Respondents agreed that lack of communication also creates resistance from staff and lack of buy-in of the strategies and this does not enhance the understanding of the strategies.

However, other two respondents (Marketing and Networks) stated that the strategy was communicated to the Airtel staffs. They argued that different methods were used to ensure wide dissemination and roll out of the strategy. It’s communicated through meetings, exchange of email and staff retreats.

Management ensured that the communication channels were two way so that it could provide information for improving understanding, knowing the staff responsibilities and to motivate staff. They made sure it was a continuous process in the entire implementation process. It was agreed that organizational communication plays an important role in training, knowledge dissemination and learning during the process of strategy implementation. Communication helped in ensuring that all the stakeholders were involved in the implementation of the adopted strategies and make them more committed.

The study also interviewed respondents how information availability influences strategy implementation at Airtel. The interviewees stated that the availability of information at Airtel Kenya determines their understanding of the need to act and ensure what needs to be done has been done. It is critical that all employees that execute strategy have the right information for the alignment of strategies and provides overall picture and long term targets of strategies.

In the interviews, communication is pervasive in every aspect of strategy implementation, and it is related in a complex way to organizing processes, organizational context and implementation objectives which, in turn, have an impact on the implementation process. They further added that communicating is not organizing, as organizing involves structure arrangements, resource allocation and many other activities, which are beyond the capacity of communication. But communication is embedded in the processes of organizing, affecting the effectiveness and efficiency of these processes and, in turn, the process of strategy implementation. In other words, effective communication is a primary requirement of effective implementation but it does not guarantee the effectiveness of implementation.

The interviewees stated that lack of information at Airtel resulted to delayed results, wastage of resources, and loss of business and rejection of the strategy, demotivation and lack of commitment to new ideas. Respondents also argued that an integrated communications plan which enhances availability of information has been developed at the organization to enhance strategy implementation, it is essential both during and after an organizational change to make information available about organizational developments to all levels in a timely fashion. The study found that the authority being faced with the challenge of lack information that permits and solicit questions from employees on issues regarding the formulated strategy and lack of information causing more harm as the employees are not told about the new requirements, tasks and activities to be performed by the affected employees.

To the question on how ineffective coordination influences strategy implementation process at Airtel, the interviewees unanimously agreed that they caused challenges of delayed implementation, overworking of some workers, errors of commission, omission and duplication. They stated that projects are executed across functions with functional representation. Having sight of project calendars cuts on time wasted, ensures its success because of representation from all concerned departments, cross functional way of projects ensures right representation, coordination determines its success or failure for a plan to succeed it has to have right representation and involvement of right people, defines how it is implemented access to information efficiency of those involved, support required how its communicated, ensures roles are not duplicated that tasks are executed concurrently to save time and promotes prioritization of projects.

On the question on how soon does Airtel Kenya apply new ideas and how it influences strategy implementation, interviewees agreed that the duration depends with the type of idea, resource availability and need in the market. New strategies are implemented in light of new development, customer delighting and working on customer's feedback. Strategies are always implemented to always improve on changing demands at Airtel Kenya. On the issue of whether Airtel Kenya allow competent representative of groups to make decisions even if they are not the leaders, respondents were in agreement that all ideas count. They are validated by leadership for alignment and cascade and this positively influence implementation. Grievances are highlighted, allows buy in of lower level staff enhances the implementation. Strategy implementation is inclusive we appreciate diversity and feedback and ensures that every view concern idea is considered important management encourage this to ensure that every voice is heard.

Open culture ensures that everyone feedback is important and can be heard by management , allows people to play roles that they are ideally assignment, all feedback is accepted strategies are always reviewed critical improved to ensure all inputs are included and ensures that information are channeled the right channels but this allows for co-creation of strategic moves.

Researcher asked respondents in their opinion to suggest what would be done to organizational culture to facilitate successful strategy implementation. The interviewees suggested that the company should improve its time to execute an idea, ensure partners embrace Airtels' organizational culture, effective and frequent communication improve ways of working, improve organizational process and adherence to service level agreements to ensure expectations are smooth.

The interviewees also suggested that managed services partners employees are integrated into Airtel culture, unification of Airtel Africa vision mission and values brings unity, improved communication of strategies by management empowerment at better level, creates robust continuity program and creating a mapping for process for easy future implementation and it should promote sharing of ideas among employees and expectations implementation of viable economical ideas.

The interviewees stated that Airtel Kenya is trying to address these issues through getting feedback during midterm evaluation on areas where they need to improve for a successful implementation of the strategic plan. Airtel has developed policies to cover areas where problems have been identified in the strategy implementation process. These policies serve as guide on what is expected of the various members of the staff executing the implementation. Airtel has been keen on ensuring that the strategy is successfully implemented and this has been done through the various strategy implementation meetings held by the organization.

The responses further indicated that to improve employees' acceptance to strategy organization should follow with reward management practices. The study findings reported culture and leadership as important for enhancing organizational performance. All those interviewed felt culture was critical to successful strategy implementation and the need to influence action of employees to support the current strategy so that resistance is reduced. Airtel is overcoming the above by encouraging employees to gain new skills and also having workshop of all cadres of employees. The leadership of Airtel recognizes the importance of communication with the staff. The management addresses all the staff together with the heads of departments immediately after every end of financial year. While introducing change, management communicates it to the participants to ensure participation of all.

The question as to what attributes of the organization are attributed to effective strategy implementation, respondents stated that its good to go to market strategic intent, superior customer experience has been key to understanding customers, effective leadership market research effective employees' diversity and inclusion everyone can come up idea, customer focus emphasis on customer needs and required always, innovation through customer feedback ensuring that all concerned departments are involved, effective leadership and diverse nature of organization leveraging also on group office, teamwork meeting market need by conducting customers' survey and strong leadership in the organization. Having the right structure and expertise of outsourced partners have been important attributes in implementation of strategies, team work communication taking customer feedback engage collecting, cross functional way of working creates effective teamwork and openness relaxed and conducive environment dedicated leadership employee recognition (rewards) highly motivated staff continuous learning and development.

4.8 Discussion

This section presents the discussion of the findings in relation to previous literature. It compares the findings with theory and previous literature on how organizational culture influences strategy implementation.

4.8.1 Comparison with Theory

This study focused on the relationship between organizational culture and strategy implementation. The literature remarkably underlines the significance of organizational culture. The findings provided a positive link between organization's culture and strategy implementation.

This is in line with previous studies which had considered relationships between organizational culture and organization’s performance indicators (Fey and Denison, 2003; Pirayeh et.al., 2011; Ouchi, 1981; Valencia, 2011; Lopez et.al, 2004; Davenport and Prusak, 1997; Kanyoi, 2012; Muthoni, 2013; Korir, 2014).

According to the obtained results, clan and adhocracy cultures considerably favor strategy implementation. Results also show market and hierarchy cultures encourage the implementation (Almadi, 2012). The study found that the organization vision and mission statements are in most cases the guiding factor in the development of the strategies. It found that strategy in itself is an important tool that the authority uses to know what it is supposed to do, at what time towards achieving its objectives. The study found that communication of responsibility is emphasized. Lower level officers are not always involved in the strategic planning process. While top level managers where head of departments belong are involved, lower level managers were merely assigned responsibilities derived from the strategic plan by their immediate supervisors.

According to Sababu (2007), implementation is concerned with monitoring the effectiveness of the objectives and the functional policies towards the mission and it is primarily the function of all employees of the firm. Pearce and Robinson (2002) argues that shifting from strategy formulation to implementation gives rise to three interrelated concerns namely, identification of measurable, mutually determined annual objectives, developments of specific functional strategies and communication of concise policies to guide action. According to Sababu (2007), implementation is concerned with monitoring the effectiveness of the objectives and the functional policies towards the mission and it is primarily the function of all employees of the firm.

4.8.2 Comparison with Previous Studies

The study found that the top level management is in the fore front in providing leadership to enable strategy implementation. It was found that management at Airtel Kenya is fully involved in the implementation of the strategic plan and at times considers itself a custodian of the plan because it provides the vision guidance in the implementation of the strategy including reviews. It found that there was support from the senior management team. They cited they provide effective leadership and governance. The findings are in line with literature. Alexander (1985) found that ineffective coordination of implementation activities was one of the causes of failure. This finding is confirmed by Al-Ghamdi (1998), who performed a similar research in the United Kingdom. Beer et al (2000) mention the quality of direction, which describes multiple ways in which senior management can be ineffective. Beer et al (2000) state that leadership in many teams does not make the necessary trade-offs they face during the implementation. Instead, they create vague strategic objectives which do not provide effective direction for implementation.

Mankki (1994) examined the effects of top management’s practices on employee commitment, job satisfaction, and role uncertainty by surveying 862 insurance company workers. Five management practices are analyzed: creating and sharing an organizational goal, acting as a role model, encouraging creativeness, providing support for employees, and allowing employee participation in making job-related decisions. The results indicate that there is a strong relationship between top management’s actions and employees’ attitudes and perceptions. The information flow does not only include people communicating with each other but also information systems through which management is monitoring the implementation efforts. These, are in some cases, also not providing adequate information towards top management (Al-Ghamdi, 1998).

The study found that Airtel Kenya hierarchy is clear, it is easy to access management, delivering process is short and there is a defined way of working and sharing information to the whole organization. According to Narver & Slater (1990) in his study found that hierarchy culture is a formalized and structured place to work. They found that its' long-term concerns are stability, predictability and efficiency. At Laborex Kenya, Abdi (2009) revealed that the cultural relationship with stakeholders influenced strategy implementation to a greater extent. Not all strategies that fever all the stakeholders and this might affect the effective implementation process. This shows that in a market culture, the external environment is not benign but hostile.

The study found that Airtel Kenya is flexible to the execution of its strategies. However, the study upholds a cogent defense for a general view toward cultures' constructive flexibility. The findings clarify that the flexible cultures have more relevance with the implementation process. A possible explanation is that the present-day organizations are more inclined to behave organically in order to react to unpredictable phenomena quickly (Muthoni, 2012). Therefore, flexibility plays the key role in Airtel's achievement. However, results imply that stability still remains noteworthy. Results demonstrate that all types of cultures are related to all dimensions of implementation, outstandingly flexible types to policies and structural factors (Ahmadi, 2012).

The culture at Airtel emphasizes productivity and achievement with clearly defined objectives for external competitiveness. The findings showed that efficiency and profit orientation are conducive to the implementation of strategies that focus on achieving superior quality and competitiveness. Understanding customer and developing close relationships with them are keys strategies for gaining the competitive advantage (Karimi, 2012).

This result is similar to research finding done by Comerford (1985) who considering the fact that organizational culture is recognized as a key and vital agent for the implementation of comprehensive quality management, it was necessary to scrutinize the relationship between different kinds of organizational culture based on the model.

On employee participation and ownership, the study found that implementation of strategy demands ownership and participation at all levels of management from top management to non-management (employees). Interviewees agreed that effectiveness of strategy implementation is, at least in part, affected by the quality of people involved in the process. The findings by Al-Ghamdi (1998) names ownership as the most important reason for failure. If the strategy is not owned by the employees involved in the implementation, it may lead to counter implementation, which might move the organization in the wrong direction. Sipopa (2009) conducted a study to determine the key challenges to strategy implementation at the Social Security Commission. He found that there is lack of change management practice which could be regarded as the reason why resistance to change from the personnel is being experienced. Indications are also prevalent from the results obtained which led to the conclusion that lack of ownership of the implementation process inhibits strategy implementation.

The study found that the existence of culture and tradition as a challenge has resulted in resistance to change and old approach to work, lack of modern skills, collective responsibility and procedures of work hence strategic plans not being implemented in time. Eisenberger, Fasolo and Davis-LeMastro (1990) conducted an empirical study on the strategy implementation and organizational culture. They found that organizational culture is related to various attitudes and behaviors and that poor organizational culture affects strategy implementation.

The study suggested that managers should ensure that organizational culture takes care of employee needs. Gopinath and Becker (2000) found that perceived procedural justice concerning the divestment activities of the firm is positively related to post-divestment commitment to the firm.

Hrebiniak (2005) contributed to the identification of additional factors that may cause obstacles to successful strategy implementation included: Lack feelings of "ownership" of a strategy or execution plans among key employees; not having guidelines or a model to guide strategy- execution efforts; lack of understanding of the role of organizational structure and design in the execution process; inability to generate "buy-in" or agreement on critical execution steps or actions; and lack of incentives or inappropriate incentives to support execution objectives.

4.9 Chapter Summary

The chapter reviewed study findings on how a manifestation of organizational culture influences strategy implementation at Airtel Kenya. The chapter illustrated data in relation to the general information of the respondents and objectives which included the hierarchy cultural, market culture, clan culture and adhocracy culture. The chapter revealed that market culture at Airtel emphasizes on productivity and achievement.

The study revealed that clan culture ensures teamwork among employees at Airtel Kenya. The study confirmed that the hierarchy is clear, it is easy to access management, delivering process is short and there is a defined way of working and sharing information to the whole organization. Adhocracy culture at Airtel has a proper communication strategy which has increased the success of information to all for all.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

Chapter five provides a summary, conclusion and recommendations to the study, influence of organizational culture on strategy implementation at Airtel Kenya.

5.2 Summary of the Findings

The research was conducted to establish the influence of organizational culture on strategy implementation. There was a high indication that senior management are well involved in strategy and implementation and culture influences how activities are conducted in strategy implementation process.

5.2.1 Nature of Organizational Culture at Airtel Kenya

The vision of Airtel Kenya is “Connecting Africa’s people to each other, empowering them to create opportunities, dream big and live well” and mission “providing globally admired technologies and services to give Africa an easy way to connect to the world.” Vision and mission statements are in most cases the guiding factor in the development of the strategies at Airtel Kenya.

Managers of Airtel Kenya have been involved in the implementation process depending on strategy but the functional head takes lead. However, the execution tasks, jobs, and responsibilities vary across levels, but they are all interdependent and important. Implementation of strategy demands ownership and participation at all levels of management from top management to non-management (employees).

The culture at Airtel Kenya is diverse, changing overtime accommodating result oriented, market oriented and work oriented. Both clan and market cultures exist in the company. The clan culture is manifested by teamwork where employees work as a family mentoring each other, there is mutual and high trust between employees and management. Culture has stifled strategy implementation at Airtel Kenya. This is because most of the employees still have the old civil service mentality and maintains a particular work ethics. Most of the time, work oriented means roles are defined and developed to different departments. It means several strategies implemented in parallel. There is need for optimization of resources.

5.2.2 The Market Culture

The study found that the culture at Airtel emphasizes productivity and achievement with clearly defined objectives for external competitiveness. Efficiency and profit orientation are conducive to the implementation of strategies that focus on achieving superior quality and competitiveness.

The study found that customer interests are involved in making decisions at Airtel Kenya. Through factoring in their decisions, Airtel is able to gain the confidence which will enable them accept implemented strategies, strategy is customer centered, they inform what the organization need to focus on and defines the urgency and speed of implementation.

Airtel Kenya solves internal conflicts to avoid ineffective service through involving all the stakeholders, ensuring that there employees perform their duties in line with the company goals, defined service level agreements/engagements, service level agreements are agreed for all dependencies and setting the organizational structure for effective support of customer.

Airtel Kenya is very quickly and all changes from the market are implemented immediately. The study found that fast effects of strategy on the market condition need to be in-cooperated by reacting faster for the organization to adopt with the environmental changes that can help it achieve its strategy.

5.2.3 The Clan Culture

The study found that creating understandings between team members however when compromised can cause delays in deliverables during strategy implementation. Teamwork is vital to make sure that the organization is moving in one direction and ensure that all strategies are well implemented.

The study found that Addition key tasks are well defined in enough detail and information systems are adequate at Airtel Kenya resulting in successful strategy implementation. Strategic control systems provide a mechanism for keeping today's actions in congruence with tomorrow's goals and the effectiveness of coordination of activities through teamwork is a problem and distractions from competing activities in some cases.

On competition, the study found that employees rarely compete on some tasks at Airtel Kenya. Each employee has different targets to meet, have divided roles, benefits of keeping everyone on toes and to make sure everyone is on their game attracts competition at Airtel. The company rewards individuals and groups for job well done. Management agree easily on some issues even concerning hard problems in the organization. This creates conducive environment for business and ensures that business is always in line with the objectives.

5.2.4 The Hierarchy Culture

The findings showed that the hierarchy exists at Airtel Kenya. The culture is clear, it is easy to access management, delivering process is short and there is a defined way of working and sharing information to the whole organization. It facilitates flow of information and ways of working which enhances work and improves the implementation process. It provides clear management levels for business approvals which results in a faster strategy implementation. This type of culture can slow down the operations and lengthen the time of strategy execution.

Stability and control as well as internal focus and integration exist at Airtel Kenya where employees value standardization, control and a well-defined structure for authority and decision making. The study found that informal norms and rules which are to be followed by everyone influences strategy implementation at Airtel Kenya Limited. Open door policy ensures that there is access and assistance during the implementation process and it creates comfort and confidence in management to execute strategies.

The formal rules of Airtel Kenya also influence strategy implementation. The rules shape towards implementation of strategies by aligning everyone on the role to be done, defines boundaries to work in and accepted behavior which everyone needs to employ, provides relaxed environment for the staff not to feel restricted, focuses on achieving results, creates necessary discipline but does not instill fear on the implementers and allows strategy implementation process to be executed on a comfortable environment where employees own the strategy.

The study also found that every employee do not need instructions and regulations to govern every process of work but depends on the level of strategy. The study found that rules give flexibility at the organization. The study found that that the strict control spending of resources in strategy implementation limits number of strategies but also ensure focus on few important strategies. With financial resources, proper planning and prioritizing on the policies is a key factor to be considered in avoiding wastage. It is also important to set aside enough finances for the project while ensuring that staff are motivated and recognized i.e. through reward and appreciation schemes. The staffs with adequate training in their roles in strategy implementation are nerve centers in boosting the organization competence and qualification to handle demanding tasks.

5.2.5 The Adhocracy Culture

The study found that communication is the most critical factor in determining the success or failure of a strategy initiative. Interview results indicated that communication is the area that has the greatest need for improvement at Airtel Kenya. It found that improved communication for proper coordination especially in the management level during strategy implementation was needed.

The study found that communication of responsibility is totally lacking at Airtel Kenya Limited. The study found that there was a feeling that the organization left a lot to be desired as such a critical document was not part of the orientation package so they wondered how staffs were supposed to be informed about the strategic direction of Airtel when there was a limitation in knowledge of sharing of such a critical document.

The study found that a proper communication strategy has increased the success and availability of information, creates visibility to all for all business priorities, creates visibility on where the company is at and lack of communication leads to delays of strategic objectives. It found that communication is the area that has the greatest need for improvement at Airtel Kenya.

Different methods were used to ensure wide dissemination and roll out of the strategy. It's communicated through meetings, exchange of email and staff retreats. Management ensured that the communication channels were two way so that it could provide information for improving understanding, knowing the staff responsibilities and to motivate staff. They made sure it was a continuous process in the entire implementation process.

The study found that availability of information at Airtel Kenya determines their understanding of the need to act and ensure what needs to be done has been done. It is critical that all employees that execute strategy have the right information fir the alignment of strategies and provides overall picture and long term targets of strategies. Communicating is not organizing, as organizing involves structure arrangements, resource allocation and many other activities, which are beyond the capacity of communication.

The study found out that coordination of activities in strategy implementation was a key success factor within strategy implementation at Airtel Kenya. Majority of the respondent expressed that coordination of activities affects strategy implementation to a very good extent. The study further found out that Silent killers of strategy implementation comprise unclear strategic intentions and conflicting priorities and weak co-ordination across functions.

The study found that new strategies are implemented in light of new development, customer delighting and working on customer's feedback. Strategies are always implemented to always improve on changing demands at Airtel Kenya. Strategy implementation is inclusive we appreciate diversity and feedback and ensures that every view concern idea is considered important management encourage this to ensure that every voice is heard.

The study found that in order to mitigate these influences and to ensure that Airtel is able to overcome them in future, the following measures have been identified and will form part of the strategies for future plans and actions: aligning Airtel to the Constitution of Kenya 2010; change of legal framework. The company should improve its time to execute an idea, ensure partners to embrace organizational culture, effective and frequent communication improve ways of working process and adherence to service level agreements to ensure expectations are smooth, integrate managed services partners into Airtel culture.

5.3 Conclusion

In case of policy formation, sound relations with clan and adhocracy cultures can be justified by the fact that policies lead the organization's routine activities and forming them is an up-to-date function. Obviously flexible cultures are more adapted to modifications. Regarding structural factors, the findings uncover elastic-nature cultures (i.e. clan and adhocracy) which prepare amenable surroundings for their employees receive more relevance with structural factors of strategy implementation. The reason may be that the extent a structure tolerates deviations from mechanistic body and present freelance in organizational behavior is crucial in strategy implementation.

Results also provide support to the relations between all dimensions of culture and strategy implementation. This outcome illustrates the multidimensional nature of culture, making smart managers aware of the reality that they should account all aspects of culture elegantly so that to apply its productive functions. Finally, the findings supply support for the logic idea of highly significant relation between strategic emphases in culture of an organization and its strategy implementation. It reasonably notifies while seeking to implement the strategy, emphasizing on the strategic objectives plays the paramount role.

5.4 Recommendations

The following recommendations were provided to management, policy makers and practitioners.

5.4.1 Recommendation for Management, Policy and Practice

The study recommended that communication policy to be improved and all the Airtel Kenya departments to be connected through intranet. This will improve communication process at the organization.

Airtel Kenya should adopt customers and staff oriented approaches to facilitate full appreciation of the strategy in a bid to minimize challenges of successful implementation which emanates from lack of cultivation of strong cultural value to meet the changing organizational needs. This will enhance proper integration of activities and feelings of ownership and commitment.

The results of this study are significant in that they may impact on the policies and practice of the company as it has given insight on the various challenges that affect strategic implementations on the company's operations.

Policy makers would recognize the need for increasing the staff/personnel as well as increasing their knowledge for the company to effectively implement strategic decisions. There would be need to allocate more expense budget on advertising and business, staff training and capital expenditure on robust marketing software.

5.4.2 Recommendation for Knowledge

The study found that employee participations affect strategy implementation process at Airtel Kenya Limited. The study recommends that Airtel Kenya should create higher levels of participation and involvement of members in the organization.

Airtel Kenya Limited being a telecommunication company faces difficulties in implementing its strategies. It also takes long as they have to consult with headquarters before implementing some of the strategies and sometimes have to change the strategies and adapt to location specifics. The results of this study would, therefore form a basis for the best approaches in implementing strategic decisions the company and other such institutions whose operations range from one county to another.

5.5 Limitations of the study

Some head of functions were too busy to take time off and respond to the interviews even after several requests which consumed time. Due to the nature of information handled by the company, some interviewees were very sensitive about the information they were sharing thus did not give information considered as confidential. The study depended on interviews and discussions with the company's senior managers. It would have been of value to obtain views of employees since they are the implementers of strategies.

The information provided in the study was based on respondent perception on what they believed was the influence of organizational culture on strategy implementation in their departments. Therefore the conclusions and recommendation deduced from the study were based on their subjective opinion of the aspects examined in the study. Some departments considered the study intrusive and therefore were either reluctant to provide information or took longer time than expected to respond to the interview request.

5.6 Suggestion for further research

The study was carried at Airtel Kenya Limited only. The findings were not enough to generalize the findings since different telecommunication companies experience different strategy implementation influences. The researcher therefore suggests further research to be conducted on other telecommunication companies.

The study focused on telecommunication sector and the views for this study reflects the influences that telecommunication sector face during strategy implementation. It is important to conduct a study on companies from a different sector like banking, insurance and health sectors for comparison purposes.

REFERENCES

Aaltonen, A. & Ikavalko, I. (2002). Organizational culture and marketing: Defining the research agenda. *Journal of Marketing*, 53: 3--15.

Abdi, M. (2009). *The Challenges of Strategy Implementation at Laborex Kenya Limited*. Unpublished MBA Project, the University of Nairobi.

Al-Ghamdi, (1998). Organizational Adhocracy Culture. *Academy of Management Journal*, 2 7(1): 25--41.

Al-Ghamdi, W. (1998). Responding to organizational identity threats: Exploring the role of organizational culture, *Academy of Management Journal*, Vol. 41, pp. 433-458.

Aosa, E. (1992). *.An empirical investigation of aspects of formulation and implementation with large private manufacturing companies in Kenya* (Unpublished doctoral thesis). Strathclyde University, Glasgow. April, pp.43

Arabi S. M. (2002). *Organizational Culture and Design.* Teran: Institute of Humanities and Cultural Studies.

Arnold, J. (2005). *Work Psychology: Understanding Human Behavior in the Workplace*, 4th edition. London: Prentice Hall Financial Times.

Athos, K. (1981). *Organizational strategy, structure, and process*. New York: McGraw-Hill.

Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17*(1), 99-120. Boston: McGraw-Hill.

Cameron, K. & Quinn, R. (2005). *Diagnosing and changing organizational culture*: Based on the competing values framework. Jossey-Bass Inc Pub.

Homburg, J., Workman, O. & Jensen, (2000). Fundamental Changes in Marketing Organization: The Movement toward a Customer-Focused Organizational Structure, *Journal of the Academy of Marketing Science*, 28, 4, 459-478.

Chandler, Jr., Alfred, D. (1962). Strategy and Structure: *Chapters in the History of the Industrial Enterprise*. University of Illinois.

Collis, Z. & Montgomery, J. (1995). Competitive strategy for successful hospital management. *Hospital and Health Services Administration,* 37(l): 53--69.

Comerford, K. (1985). A marketing strategy analysis of small retailers. *American Journal of Small Business*, 10(4): 7--17

Communications Authority of Kenya, (2014). *Quarterly sector statistics report second quarter of the financial year 2014/15*. Retrieved from http://www.ca.go.ke/index.php/annual-reports

Cooper, D. R. & Schindler, P. S. (2003). *Business research methods* (8th ed.).

Davenport, T. H. and Pursak, L. (1997). *Working Knowledge: How Organizations Manage What They Know*, Harvard Business School Press, Cambridge, MA.

Denison, D. R. (1990): *Corporate Culture and Organizational Effectiveness*. New York, John Wiley & Sons.

Dobni, B. (2003). Creating a strategy implementation. *Business Horizons*, *Vol.46*, No.2, March

Drucker, P. (1954). *Theory of Management by Objective*, with cases, South Western Cengage Learning, 8th edition, Canada.

Fay, C. F. & Denison, D. R. (2003). Organizational Culture and Effectiveness: Can American Theory be Applied in Russia?", *Organizational Science*, Vol. 14 No. 6, pp. 686-706.

Galbreath, L. (2005). Measuring strategic performance. *Strategic Management Journal*, 7: 437--458.

Gopinath, K. and Becker, W. (2000). *Strategic management: Competitiveness and globalization*. Minneapolis/St. Paul: West.

Harrison, I. (2004). Successful change leaders: What makes them? What do they do that is different? *Journal of Change Management*, Vol. 2 No.4, pp.359-68.

Hofstede, G. (1980), Culture‟s Consequences, Newbury, New York

Hrebiniak, L.G. (2005). *Making strategy work: leading effective execution and change*. Upper Saddle River, N.J.: Wharton School. Pub

Hunt L. & Morgan, Q. (1995). Strategy formation processes in health care organizations: A context-specific examination of context-free strategy issues. *Journal of Management*, 17(2): 305--344.

Johnson and Scholes K. (2008): *Exploring Corporate Strategy*, 6th Edition, Prentice Hall, New Delhi.

Johnson, G. 1990. Managing strategic change: the role of symbolic action. *British Journal of Management, 1*(1): 183–200.

Kanyoi, M.W. (2012). Leveraging on corporate culture as a strategy in driving the competitive advantage of safaricom limited, *Unpublished MBA Project.* University of Nairobi, Nairobi.

Karlirger (2000). *Research methods in social relations*. New York: Holt-Rinehart.

Kotter, J. P. (2012). *The 8-Step Process for Leading Change. Retrieved July 29, 2015, from Kotter International:* http://www.kotterinternational.com/our-principles/changesteps

Lado, E. &Wilson, N. (1994). The effects of technological sophistication on strategic profiles and structure. *Journal of Management Studies*, 2 7(5): 485--510.

Lares-Mankki, L. (1994). Linking organizational learning with technical innovation and organizational culture. *Journal of Knowledge Management*, Vol. 15 Iss. 6, pp. 9971015.

Lundy, O. & Cowling, A. (1996). *Strategic Human Resource Management*, Routledge, London.

Martin, J. (2002). *Organizational Culture: Mapping the Terrain*. Newbury, CA, Sage Publications.

Mintzberg, H. (1994). *The Rise and Fall of Strategic Planning*, Free Press: 1994

Munjua.W. (2013). The Influence of Dutch and Kenyan Cultures on the business operations by Dutch Organisations in Kenya. *(Unpublished MBA Project*). University of Nairobi

Muriu, D.W. (2002). Paying Lip-Service to the Principles of Regulation: A Comparative Critique of Kenya's Telecommunications Law. *Journal of African Law 46*(1), 14-30

Mushtaq A. L. (2008). Validation of Denison's Model of Organizational Culture and Effectiveness in the Indian Context. *The Journal of Business Perspective, 49-56.*

Narver, J. C., & Slater, S. F. (1990). The effect of a market orientation on business profitability. *Journal of Marketing*, 54: 20--35.

Ngechu. M. (2004), Understanding the research process and methods. *An introduction to research methods*. Acts Press, Nairobi.

Noble, C. H. (1999b). Building the strategy implementation network, *Business Horizons, Vol.42* (6), pp. 19-28.

Obosi, M.F. (2010). Influence of corporate culture on strategy implementation within commercial banks in Kenya *(Unpublished MBA Project).* University of Nairobi, Nairobi.

Oliver, C. (1992). The Antecedents of Deinstitutionalization. *Organization Studies, 13: 563-588*

Omunga, J. (2009). Organizational Culture and Strategy Formulation in Mobile Services Provides in Kenya. *Unpublished MBA Project*, the University of Nairobi.

Ouchi, J. (1981). Formulating hospital strategy: Moving beyond a market mentality. *Health care Managemerit Review*, 17(1): 21--26.

Peteraf, J. and Barney, W. (2003). Small firm adaptation: Responses of physician's organizations to regulatory and competitive uncertainty. *Academy of Management Journal*, 33(2): 307--333.

Peters, T., & Waterman, R. (1982). *In Search of Excellence. Lessons from America's Best-Run Companies*. New York: Harper and Row Publishers.

Pirayeh, N., Mahdavi, A.M. and Nematpour, A.M. (2011). Study of Organizational Culture Influence (Based on Denison's Model) on Effectiveness of Human Resources in Karun Oil & Gas Production Company, A*ustralian Journal of Basic and Applied Sciences*, Vol. 5 No. 9, pp. 1886-1895.

Priem, V. & Butler, W. (2001). An examination of the relative impact of growth strategies on profit performance. *European Journal of Marketing*, 22(1): 57-68

Redding, I. (1985). Value-based strategies for industrial products. *Business Horizons*, 24(3): 32-42.

Reed, R. and Buckley, R.M. (1988), "Strategy in action: *Techniques for implementing strategy*", Long Range Planning, Vol. 21 No. 3, pp. 6

Sababu, L. (2007). *Organizational Culture, American Psychologist*, Vol. 45, pp. 109119.

Schein, E. (2009). *Organizational Culture and Leadership*. San Fransisco : Jossey - Bass.

Schein, H.E. (1985).*Organizational Culture and Leadership: A dynamic view*. San Francisco: Jossey-Bass.

Tavakoli, I. and Perks, K.J. (2001), “The development of a strategic control system for the management of strategic change”, *Strategic Change, Vol. 10.*

Thompson, A. A., Strickland, A. J., Gamble, J., & Thompson, A. A. (2005). Crafting and executing strategy: *The quest for competitive advantage: concepts and cases*. New York, N.Y: McGraw-Hill/Irwin.

Thomson A. A. Jr (2007). Crafting and Executing Strategy*: The Quest for Competitive Advantage, Concepts and Cases*. 15th Edition. McGraw-hill, Boston.

Wheelan, T. L., & Hunger, J. D. (2011). *Strategic Management and Business Policy*. 11th Edition. New Jersey: Pearson International Publishers.

World Bank Report, (2010). Telecommunication Progress in Kenya. *Administrative Science Quarterly*, 25:317-336.

APPENDICES

Appendix One: Interview Guide

General Information

1. What position do you hold in the company?

   ……………………………………………………………………………….....

2. How many years have you worked in the organization?

   …………………………………………………………………

3. Does Airtel Kenya have Vision and Mission? Kindly specify.

   ………………………………………………………………………………

   ………………………………………………………………………………

4. Has Airtel Kenya implemented any strategy?

   ………………………………………………………………………………

5. Have you been involved in strategy implementation in the organization? Who are involved in strategy implementation in the organization?

   ………………………………………………………………………………

6. In your view how would you describe Airtel Organizational Culture?

   ………………………………………………………………………………

   ………………………………………………………………………………

7. Do you think Organization Culture influence Strategy implementation in Airtel? How does it affect?

   ………………………………………………………………………………..

   ....

8. Is the culture of the organization one that puts emphasis on strategy Implementation? How does culture in the organization influence strategy implementation process?

………………………………………………………………………………………

………………………………………………………………………………………

The Hierarchy Culture

9. How is organization hierarchy? How does the hierarchy influence strategy implementation in the organization?

………………………………………………………………………………………

………………………………………………………………………………………

10. How do the informal norms and rules which are to be followed by everyone influence strategy implementation?

………………………………………………………………………………………

………………………………………………………………………………………

11. How are the formal rules of the company? How does this influence strategy implementation?

………………………………………………………………………………………

………………………………………………………………………………………

12. Must every employee need instructions and regulations to govern every process of work? How does it affect strategy implementation?

………………………………………………………………………………………

……………………………………………………………………………………….

13. How does the strict control spending of resources in strategy implementation?

………………………………………………………………………………………

……………………………………………………………………………………….

The Market Culture

14. Are the customers' interests ignored in decision making of the organization? How do they influence strategy implementation?

    …………………………………………………………………………………

    ………………………………………………………………………………….

15. What are the methods of work that are in place to gain advantages over rivals?

    …………………………………………………………………………………

    ………………………………………………………………………………….

16. How does the organization solve internal conflicts to avoid ineffective service delivery to customers?

    …………………………………………………………………………………

    ………………………………………………………………………………….

17. Does the organization feel market changes and react contemporarily? How do the changes influence strategy implementation?

    …………………………………………………………………………………

    ………………………………………………………………………………….

    ……………………………………………

The Clan Culture

18. Is there teamwork among employees in the organization? How does it influence strategy implementation?

    …………………………………………………………………………………

    …………………………………………………………………………………

    …………………………………………………………………………………

19. Do employees compete on some tasks in the organization? How does the competition between colleagues influence strategy implementation?

20. How does individual performance in the organization influence strategy implementation?

    ………………………………………………………………………………………

    ……………………………………………………………………………………….

21. Do you reward employees individually for success? How does it influence strategy implementation?

    ………………………………………………………………………………………

    ……………………………………………………………………………………….

22. Do management agree easily on some issues even concerning hard problems in the organization? How does it affect strategy implementation?

    ………………………………………………………………………………………

    ……………………………………………………………………………………….

The Adhocracy Culture

23. Do all employees have equal perspectives?

    ………………………………………………………………………………………

    ……………………………………………………………………………………….

24. How has the communication culture affected successful implementation of strategies at Airtel Kenya?

    ………………………………………………………………………………………

    ………………………………………………………………………………………

25. How does the availability of information to everyone influence strategy implementation?

………………………………………………………………………………………

………………………………………………………………………………………

26. How does the coordination of projects in the organization influence strategy implementation?

………………………………………………………………………………………

………………………………………………………………………………………

27. How soon does Airtel Kenya apply new ideas? How do they influence strategy implementation?

………………………………………………………………………………………

………………………………………………………………………………………

………………………………………………………………………………………

28. Does Airtel Kenya allow competent representatives of groups to make decisions even if they are not the leaders? How does it affect strategy implementation?

………………………………………………………………………………………

………………………………………………………………………………………

……………………………………..

29. In your opinion, what would you suggest to be done to organizational culture to facilitate successful strategy implementation?

………………………………………………………………………………………

………………………………………………………………………………………

………………………………………………………………………………………

30. What attributes of the organization can you say they are attributed to effective strategy implementation?

Appendix Two: Letter of Introduction

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 3/9/2015

TO WHOM IT MAY CONCERN

The bearer of this letter PRESTON. KIPKEMOI. M

Registration No. D61/70997/2014

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
03 SEP 2015
P.O. Box 30197 - 00100, NAIROBI

PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS