

**ORGANIZATIONAL CULTURE AND THE IMPLEMENTATION  
OF STRATEGY AT NAKUMATT HOLDINGS LIMITED IN  
KENYA**

**BY KARANJA ESTHER WANJIRU**

**D61/67723/2013**

**SUPERVISOR: MR. J. KAGWE**

**A RESEARCH PROJECT SUBMITTED IN PARTIAL  
FULFILLMENT OF THE REQUIREMENT FOR THE AWARD  
OF THE DEGREE OF MASTER OF BUSINESS  
ADMINISTRATION, SCHOOL OF BUSINESS**

**UNIVERSITY OF NAIROBI**

**OCTOBER 2015**

## **DECLARATION**

I declare that this is my original work and that it has not been presented for the award of a degree to any other university.

Signed ..... Date .....

**Karanja Esther Wanjiru**

**D61/67723/2013**

This research project has been submitted with my approval as the university supervisor

Signed ..... Date .....

**Mr. Jeremiah Kagwe**

**Department of Business Administration**

**School of Business, University of Nairobi**

## **ACKNOWLEDGEMENT**

First and foremost I thank God for giving me the grace to complete this project and for providing me with all that I needed to get through this process.

A vote of thanks to my family for supporting and encouraging me throughout the course of this study. I appreciate your time and effort.

I appreciate the guidance and professionalism of my supervisor Mr. Jeremiah Kagwe during this period.

Finally, I acknowledge the contribution of the Regional Director Strategy and Operations, Nakumatt Holdings Limited.

## **DEDICATION**

This research study is dedicated to my family for their continued support and encouragement. I would never have made it this far without you. Thank you for pushing me to be the best that I can be.

## TABLE OF CONTENTS

<b>DECLARATION .....</b>	<b>ii</b>
<b>ACKNOWLEDGEMENT.....</b>	<b>iii</b>
<b>DEDICATION .....</b>	<b>iv</b>
<b>ABSTRACT .....</b>	<b>viii</b>
<b>CHAPTER ONE: INTRODUCTION.....</b>	<b>1</b>
1.1 Background of the study .....	1
1.1.1 Organizational culture .....	2
1.1.2 Implementation of strategy .....	4
1.1.3 Organizational culture and implementation of strategy .....	6
1.1.4 Retail trade industry in Kenya .....	7
1.1.5 Nakumatt Holdings Limited .....	8
1.2 Research problem .....	9
1.3 Research objective .....	11
1.4 Value of the study.....	11
<b>CHAPTER TWO: LITERATURE REVIEW .....</b>	<b>13</b>
2.1 Introduction .....	13
2.2 Theoretical foundation .....	13
2.3 Impact of organizational culture on the implementation of strategy .....	14
2.4 Summary .....	18

<b>CHAPTER THREE: RESEARCH METHODOLOGY .....</b>	<b>20</b>
3.1 Introduction .....	20
3.2 Research design .....	20
3.3 Data collection.....	20
3.4 Data Analysis .....	21
<b>CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION.....</b>	<b>23</b>
4.1 Introduction .....	23
4.2 Background information of interviewees.....	23
4.3 Organizational culture at Nakumatt Holdings Limited.....	24
4.4 Implementation of strategy at Nakumatt Holdings Limited .....	25
4.5 Impact of organizational culture on the implementation of strategy at Nakumatt Holdings Limited.....	27
4.6 Managing the impact of organizational culture on strategy implementation at Nakumatt Holdings Limited.....	30
<b>CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS .....</b>	<b>32</b>
5.1 Introduction .....	32
5.2 Summary of findings .....	32
5.3 Conclusion.....	35
5.4 Recommendations for policy and practise .....	37
5.5 Limitations of the study .....	38
5.6 Recommendations for further research.....	38

<b>REFERENCES</b> .....	40
<b>APPENDICES</b> .....	44
Appendix i: Introduction letter .....	44
Appendix ii: Interview guide .....	45

## ABSTRACT

Organizational culture is central to the life of any organization. It is embedded in its practices and governs the relationships of all organizational members. Different organizations have different cultures which help to distinguish each from the other. The implementation of strategy is necessitated by the need for organizations to achieve certain objectives that give them a competitive advantage in a business environment that is constantly changing. Organizational culture can either facilitate or hinder the successful implementation of strategy. It facilitates the process when the values in the strategy being adopted are supported by those held and shared by organizational members. Lack of alignment between organizational culture and strategy is the main cause of failure in the implementation of strategy. This study applied a case study of Nakumatt Holdings Limited to determine the impact of organizational culture on the implementation of strategy. Nakumatt Holdings Limited was the best choice for the study because it is the market leader in the retail industry in Kenya and has managed to successfully adopt a variety of strategies in the course of its business. The study was based on the contingency theory which states that there is no one best way of organizing a corporation. This theory is concerned with finding the best fits and alignments. The research study was also founded on the dynamic capabilities theory of firms which is based on two principles; renewing competencies and developing firm specific capabilities. Data was collected through the use of an interview guide. The interviewee was the Regional Director, Strategy and Operations at Nakumatt Holdings Limited. The researcher was able to identify the dominant cultures at Nakumatt Holdings Limited as innovative culture and clan culture. These two cultures have been very instrumental in providing a healthy work environment that drives commitment and loyalty to the implementation of strategy. Strategy implementation also takes a participatory approach in the organization. This gave employees freedom to act and provided necessary feedback on the progress towards reaching set targets. The study also revealed that implementation of strategy will only do well in a culture that is supportive, flexible and one that values the welfare of organizational members. Sometimes, the type of organizational culture will determine the best strategy that should be implemented by an organization and sometimes the adoption of a particular strategy may call for cultural change. The impact of organizational culture on strategy implementation can be managed through sensitization and training programmes, cultural change, linking rewards to performance and open and clear communication of strategy. The study determined that there is a direct link between organizational culture and the implementation of strategy and that there is need for managers to know and understand the underlying cultural assumptions in their organizations before embarking on any strategic initiatives. This will prevent improper implementation of strategy and failures, while reducing conflict and resistance. The best course of action is to create a culture-strategy fit in organizations. This will get things done fast and effectively.



# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the study

Despite similarities in occupations and professions, different organizations are different due to varying organizational cultures. An organizational culture that is successful for one organization might fail in another. While culture provides various benefits to an organization, it can also be a barrier to strategy implementation if not handled properly. Organizational culture can inhibit the implementation of strategy, making the process lengthy and costly. A strong culture can be very difficult to change because it is deeply rooted in the daily work routines and policies of the organization. To be effective, managers must know and understand their organizational culture before embarking on strategy implementation. Similarly, once managers decide on a strategy, they must choose the right means to implement it. (Keyton, 2005).

This research study is founded on the contingency theory which states that there is no one best way of doing things. There is no best way to organize a corporation, lead a company or to make decisions. The optimal course of action depends on the particular situation. It states that management must be concerned with achieving alignments and good fits. The best way to organize depends on the nature of the environment to which the organization relates. Organizations whose internal features best match the demands of their environments will achieve the best adaptation. The amount of uncertainty and rate of change in an environment impacts the development of internal features in organizations. (Galbraith, 1973).

The motivation of this study is the failure of strategies adopted by various companies due to managers ignoring underlying cultural assumptions in their organizations. This is evident especially in the implementation mergers and acquisitions. The conflicting organizational cultures of two firms hoping to merge present a great problem, resulting in failure of the process. (Robbins, Judge, & Campbell, 2010). As culture is so difficult to manage, it is often overlooked yet over 30% of mergers fail because of culture incompatibility. Culture clash was blamed for the failure of the joint venture between American Corporations AOL and Time Warner. The acquisition of Compaq by Hewlett Packard also failed due to differences in varying organizational cultures. (Jacobsen, 2012).

Nakumatt Holdings Limited values the need for strategy as it is always reinventing itself to gain a competitive advantage over other industry players. It has developed an innovative and risk taking organizational culture that is people oriented, thus unifying the entire organization in the accomplishment of various strategies adopted by the organization. This has been a contributing factor to its success. Nakumatt Holdings Limited is continuously implementing various strategies both locally and internationally which has earned it recognition both in Africa and overseas. A variety of those strategies have been implemented successfully due to organization wide commitment and availability of resources. ("Nakumatt top company", n.d.).

### **1.1.1 Organizational culture**

Organizational culture is the set of artefacts, values and assumptions that emerge from the interactions of organizational members. It is unique to each organization and can be an effective tool in attracting quality employees and distinguishing the organization from competitors. Organizational culture is directly linked to its employees. (Keyton, 2005). Organizational culture comprises the shared set of beliefs,

expectations, values, norms and work routines that influence how members of an organization relate to one another and work together to achieve organizational goals. (Jones & George, 2011). Cole (2005) claims that organizational culture is seen as shared meaning, shared understanding and shared sense making. He defines it as a process of reality construction that allows people to see and understand particular events, actions, objects, utterances or situations in distinctive ways.

According to Gagliardi and Schein (as cited in Keyton, 2005) culture forms when organization members accept solutions that provide an acceptable conclusion to a problem. Culture permeates all levels and functions of an organization making it nearly impossible to see its totality in one set of interactions. Isaac and Pitt's study (as cited in Keyton, 2005) described culture as an extremely subtle phenomenon that is not entirely obvious to those in or outside the organization.

Recently, organizations are seen to have personalities just like individuals. Different organizations have different cultures that govern how their members behave. They can be rigid or flexible, unfriendly or supportive, innovative or conservative. (Robbins, Judge, & Campbell, 2010). Rigid cultures limit creativity in the implementation process by stressing on conformity to rules and procedures. Unfriendly organizational cultures are characterised by a political internal environment and hostility to people who champion new ways of doing things. In innovative cultures however, organizations are receptive to risk taking, experimentation, innovation and changing strategies. (Hiriyappa, 2009).

Handy's research (as cited in Cole & Kelly, 2011) defined four types of culture namely power culture, role culture, task culture and person culture. In power culture, control emanates from the centre thus serving the leadership of the organization. This

type of culture is very political. Role culture is bureaucratic in nature in that interactions are controlled by rules and procedures. Roles are more important than the people who fill them. A task culture focuses on completing the job, thus there are high levels of collaboration between members to ensure things get done. A person culture is characterised by people pursuing their own goals separately. This culture serves the individual.

Deal and Kennedy's research (as cited in Robbins, Judge, & Campbell, 2010) looked at tough- guy /macho culture and work hard/ play hard culture. A tough guy/ macho culture is characterised by individuals who regularly take high risks and get quick feedback on whether their actions are right or wrong. A work hard/ play hard culture on the other hand is all about fun and action. Employees in such organizations take few risks, all with quick feedback.

Other categories of organizational culture are clan culture, adhocracy culture, market culture and hierarchy culture. Clan cultures are family like with a focus on mentoring, nurturing and doing things together. Adhocracy cultures are dynamic and entrepreneurial with a focus on risk- taking and innovation. Market culture is results oriented, with a focus on competition and getting the job done. Hierarchy cultures are structured and controlled emphasising on efficiency and stability. (Tipster, 2013).

### **1.1.2 Implementation of strategy**

Strategy is a long range plan for an organization comprising a statement of mission and goals, company policies and resourcing provisions, which provide the organization's employees with direction, guidance and support in the conduct of organizational affairs. (Cole, 2005). Jones and George (2011) describe strategy as the identification and selection of appropriate goals and courses of action for an

organization. Managers analyse the organization's current situation and then conceive and develop courses of action necessary to attain the organization's mission and goals.

Strategy implementation is the translation of chosen strategy into organizational action so as to achieve strategic goals and objectives. Strategy implementation is also defined as the manner in which an organization should develop, utilize, and amalgamate organizational structure, control systems, and culture to follow strategies that lead to competitive advantage and better performance. (Freeman, 1984). Ahmadi, Salamzadeh, Daraei and Akbari (2012) define strategy implementation as a procedure directed to install planned change in an organization by putting strategic written formula into action and realizing strategic plans. They further state that it is a process involving communication, interpretation, adoption and enactment of strategy.

Strategy implementation is a five step process. It involves allocating responsibility for implementation to the appropriate individuals or groups, drafting detailed action plans that specify how a strategy is to be implemented, establishing a timetable for implementation that includes precise, measurable goals linked to the attainment of the action plans, allocating appropriate resources to the responsible individuals, and holding specific individuals or groups responsible for the attainment of corporate, divisional and functional goals. It is necessary to develop an organization that has the potential of carrying out strategy successfully by creating strategy-encouraging policies, linking rewards to accomplishment of results and making use of strategic leadership. (Jones & George, 2011).

The task of implementation is both to work within the traditions of an organization and to work outside those traditions where they are inappropriate. Traditional ways of looking at the firm must change to more closely align the firm with reality. (Freeman,

1984). While managers should be careful to develop an appropriate and effective strategy, a large portion of their attention and resources should be directed to implementation. Excellently formulated strategies will fail if they are not properly implemented. It is important to revisit your strategies to fine-tune organization activities to the current organizational environment. (Keyton, 2005).

The strategy implementation process must be slow enough to overcome opposition or resistance, but fast enough to create momentum and do away with gaps or holes that leave organization members unsure of how to achieve their daily task activities. This will give organizations time to assess its implications and decide how to respond in a considered way. (Cole, 2005).

### **1.1.3 Organizational culture and implementation of strategy**

Balogun and Johnson (as cited in Robbins, Judge, & Campbell, 2010) found that a major reason for why strategies fail to materialize as planned is the frequent neglect of aspects of organizational culture. Organizational culture can either facilitate or obstruct the possibility of implementing strategy and accomplishing change. Culture is a liability when the shared values are not in agreement with those that will further organizational effectiveness.

When an environment is undergoing rapid change, an organization's entrenched culture may no longer be appropriate. To be effective, managers must know and understand their organizational culture before embarking on the strategy implementation process. They should be aware of the organizational symbols and artefacts, who has the power to influence change in the organization, values and assumptions that support or constrain the strategy implementation process and finally assess the organizational climate at a particular time. Alignment of strategy and

organizational culture helps to get things done faster and more effectively, with better results.

#### **1.1.4 Retail trade industry in Kenya**

Kenya has the second most developed retail market in sub-Saharan Africa with about 30 percent of retail shopping being done in formal outlets. The retail trade industry in Kenya consists of over 200 supermarkets dealing in consumer products. The top three big players are Nakumatt Holdings Limited, Uchumi Supermarkets and Tuskys Supermarkets. (Business daily, 2012).

Tuskys Supermarket was originally known as Tusker Mattresses Limited. It was incorporated in 2007 after a rebranding exercise. Its head offices are located along Mombasa road in Nairobi. It engages in retail business with a chain of 52 supermarkets spread all over Kenya and Uganda. It has positioned itself as a leader in the regional retail sector by optimising on ICT systems and improving operation efficiency. ("Tuskys", n.d.).

Uchumi Supermarket is the oldest supermarket chain in Kenya, currently celebrating 38 years. It has 27 stores all over the country and continues to grow steadily. It prides its success on value pricing, friendly customer service and a wide variety of local quality merchandise. ("About Uchumi", n.d.).

Neven and Reardon (2003) in their research found that self-service stores and supermarkets have popped up all over the country with the current count standing at around 220 supermarkets. The two clear market leaders are Uchumi and Nakumatt, who together represent 65% of the supermarket sector in Kenya. With the supermarket sector growing fast and showing no signs of slowing down, growth has mostly been organic rather than through the acquisition of small chains or

independent stores by large chains. Supermarkets in Kenya are no longer the niche players catering exclusively to high- income consumers in the capital. They have moved into intermediate cities like Mombasa, Kisumu and Nakuru and are expanding to small towns. Trade liberalization or market reform and competition have been important factors driving the growth of supermarkets. Competition between leading chains has been an important growth driver in the industry. A new strategy by one competitor forces initiation or a counter strategy by its competitors.

A variety of challenges faced by key players in the retail industry include government controls through legislation and policies, stringent business terms of suppliers, growing demands for different goods by consumers, shop-lifting of products from shelves, increased competition from upcoming supermarkets, high branding and promotion costs, insecurity of customers and the business premises through acts of terrorism, damaged and expired products, difficulties in stocking shelves and a lack of operating capital. ("Nakumatt top company", n.d.).

### **1.1.5 Nakumatt Holdings Limited**

Nakumatt Holdings Limited is a private company in the retail trade industry established in 1987. It was formerly known as Nakuru Mattresses which was shortened to Nakumatt. Its headquarters are in Nairobi, Kenya with subsidiaries in Rwanda, Tanzania and Uganda. As of May 2014, Nakumatt Holdings Limited had a chain of 50 retail stores in East Africa providing quality, value, service, variety and lifestyle enhancing products. Nakumatt Holdings Limited has 1.5 million sq. ft. of selling space and a turnover of over \$450 million. It carries out 85,000 transactions a day with 650,000 loyal customers who are served by 5,500 employees. It is committed to providing a variety of affordable, quality brands as well as excellent & superior quality service to its customers. (Nakumatt business overview, n.d.).



Nakumatt Holdings Limited has been ranked as the top supermarket retailer in Kenya. It has been able to gain a competitive advantage by distinguishing itself from its competitors through the adoption of various strategies like conforming to local and national laws, providing affordable quality brands, quality service and customer satisfaction, developing its employees' skills and capabilities, providing the largest variety, creating a modern ambience and pleasant shopping experience for customers, continuous improvement and providing convenient shopping hours. Its success stems from Nakumatt Holdings Limited operating as one big family where values are shared throughout the organization. It has also enjoyed great support from suppliers and financial institutions. Having its stores in malls has proved to be a great source of clientele. It has however encountered some financial challenges from expanding too fast. ("Nakumatt top company", n.d.).

## **1.2 Research problem**

Organizational culture is one of the important aspects of organizational life that can either facilitate or obstruct strategy implementation. Culture is a liability when the shared values are not in agreement with those that will further organizational effectiveness. When an environment is undergoing rapid change, an organization's entrenched culture may no longer be appropriate. Implementation often fails because the underlying cultural assumptions are not addressed. Managers find themselves in difficult situations because of pushing strategy that is at odds with the already established cultures. Michela & Burke's study (as cited in Keyton, 2005) found that to be effective, managers must know and understand their organizational culture before embarking on strategy implementation. Alignment of culture and strategy gets things done faster, with less effort and with better results. (Rick, 2014).

Nakumatt Holdings Limited is continuously reinventing itself in order to be the best in East Africa. This is through the adoption of a variety of strategies that have helped it distinguish itself from its competitors. It thrives on continuous improvement and customer satisfaction, while striving to be a progressive organization by continuously reviewing its objectives to meet new challenges. Its organizational culture of operating as one family has had a great impact on the attainment of set goals. Corporate governance is championed across the company and involves the directors, management and staff. Through an innovative and risk taking culture, Nakumatt Holdings Limited has been able to become the market leader in Kenya and enjoy great success. However, this risk taking has also exposed the organization to a financial crisis. Nakumatt Holdings Limited also has a people oriented culture that emphasizes on employee development and provision of superior customer service. This has resulted in loyalty from staff and customers. Organizational culture is thus a key factor in strategy implementation at Nakumatt Holdings Limited. ("Nakumatt top company", n.d.).

There have been several research studies done on the concept of organizational culture and strategy implementation. These include effects of organizational culture on strategy implementation in commercial banks in Kenya (Muthoni, 2012), the role of organizational culture in the relationship between strategy and performance of commercial banks in Kenya (Muchira, 2013), alignment of strategy and organizational culture in the mobile phone service providers in Kenya (Shem, 2009), evaluating organizational culture: preparing for implementation of a strategic planning process in the Holland fire department (Tinney, n.d.) and the influence of organizational culture on organizational preferences towards the choice of organizational change strategy (Janicijevic, 2012). Studies done on the context

include factors influencing marketing strategies adopted by Nakumatt Holdings Limited (Magu, 2014), competitive strategies adopted by Nakumatt Holdings Limited (Chege, 2014), and reward management practices and employee performance at Nakumatt Holdings Limited (Bosco, 2014). There has not been any research done on the impact of organizational culture on strategy implementation in the retail trade sector. This research study shall thus aim to fill the research gap by answering the following research question: What is the impact of organizational culture on the implementation of strategy at Nakumatt Holdings Limited?

### **1.3 Research objective**

The objective of the study is to determine the impact of organizational culture on the implementation of strategy at Nakumatt Holdings Limited.

### **1.4 Value of the study**

The study will be useful to managers and employees of Nakumatt Holdings Limited, academicians and key players in the retail industry. Managers will be able to understand the role that organizational culture plays in the strategy implementation process and they will thus be able to align culture and strategy for effectiveness. Employees will be made aware of the amount of influence they have in the strategy implementation process and learn how they can contribute to the attainment of organizational goals and objectives.

Academicians will understand the concepts of organizational culture and strategy implementation, and how to best align the two for effective management. They will be able to gain knowledge and skills in addressing cultural issues that may arise in the course of strategy implementation.

This study will be beneficial to the retail trade industry by helping organizations to establish the best culture- strategy fit to ensure successful implementation of strategies adopted within the course of business. This will be a source of competitive advantage to organizations in the retail industry.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents relevant literature on organizational culture and the implementation of strategy. It looks at the theory supporting this study and the impact of various organizational cultures on the strategy implementation process.

#### **2.2 Theoretical foundation**

This study is founded on the dynamic capabilities theory of firms, which centres on exploiting existing internal and external firm specific competences to address changing environments. It emphasises on development of management capabilities and difficult- to- imitate combinations of organizational and functional skills. The word "Dynamic" refers to the capacity to renew competences so as to achieve congruence with the changing business environment. "Capabilities" emphasizes on appropriately adapting, integrating and reconfiguring internal and external organizational skills, resources and functional competences to match the requirements of changing environments. (Teece, Pisano, & Shuen, 1997).

Dynamic capabilities theory is founded on two basic principles namely developing firm- specific capabilities and renewing competences to respond to shifts in the business environment. These capabilities are unique to each company and rooted in the company's history, thus difficult to imitate. The competitive advantage of firms lies with the way things are done in the firm i.e. routines and patterns of current practice. Winners in the global market place have been organizations that can demonstrate timely responsiveness coupled with management capability to effectively

coordinate and redeploy internal and external competences. (Teece, Pisano, & Shuen, 1997).

Organizations need to gain and sustain their competitive advantage by adjusting their competencies to match changes in the business environment. Organizational culture and strategy can be termed as distinctive competences as they set the organization apart from other organizations. The implementation of strategy needs a careful examination and evaluation of a company's organizational culture to ensure that there is a culture- strategy fit. Organizational culture and strategy need to be renewed and reconfigured to respond to shifts in the business environment. (Stoner, 1987).

### **2.3 Impact of organizational culture on the implementation of strategy**

With the importance of culture as a unifying and encouraging factor, it has to be considered in the implementation process. The implementation of strategy will be different in different organizational cultures. It is thus important to measure which kinds of cultures help organizations implement their strategic objectives. (Ahmadi, Salamzadeh, Daraei & Akbari, 2012).

Organizational culture is a valuable asset when it matches strategy and is a dreaded liability when it does not. It can be a dysfunction, impacting upon organizational performance. (Hiriyappa, 2009). Different cultures have different impacts on the strategy implementation process.

Mehta and Krishnan's study (as cited in Ahmadi, Salamzadeh, Daraei & Akbari, 2012) found that successful companies have strong cultures that empower employees, emphasise on team orientation, and have a clear strategic direction. This unites the entire organization in pursuing a common goal. Strong cultures can however be a barrier to the strategy implementation process when the values held by organization

members do not coincide with those in the strategy being adopted. They are also very difficult to change, which can make the implementation process slow and costly. (Robbins, Judge, & Campbell, 2010). Weak cultures lead to a lack of commitment to the strategy implementation process as they provide little or no strategy implementation assistance that management can use as levers to mobilize commitment to executing the chosen strategy. (Hiriyappa, 2009).

A rigid organizational culture limits innovation and creativity. Employees are not given freedom to act or to be responsible for accomplishing their own tasks. Tight controls and constant supervision of staff places a great level of pressure on employees to perform and can thus lead to low levels of motivation and a lack of commitment in the strategy implementation process. Employees may resist or try to sabotage the process. Flexible cultures encourage risk taking, experimentation and changing of strategies to fit the unique situations that organizations face in the course of business. They are adaptive in nature and deal with issues as they arise, thus giving room for modification of certain aspects of the strategy implementation process. This provides a healthy work environment that is warm and relaxed. In a flexible culture, organization members will consider change as something good and useful thus the strategy implementation process is likely to be continual and incremental in nature. There will be less resistance and more participation by employees. (Jones & George, 2011).

A supportive culture will allow room for flexibility in the strategy implementation process. It will serve the needs of both the employer and employee thus building commitment to the process through shared effort and teamwork. Supportive cultures also provide a healthy work environment in which there is open communication about organizational goals and the means to attain them. Unfriendly cultures create a highly

political environment characterised by hostility to change and to people who champion new ways of doing things. Management is also very secretive about information pertaining to the strategies being adopted. This results in employees resisting and trying to sabotage the strategy implementation process thus hindering it from successful completion. (Hiriyappa, 2009).

Innovative and adhocracy cultures are flexible and allow room for creativity and risk taking. This helps the strategy implementation process to be carried out fast and efficiently. Innovative cultures are entrepreneurial in nature fostering mentorship and continuous development. Employees are motivated to continuously come up with new ideas thus providing a challenging work environment which boosts employee commitment and motivation. (Jones & George, 2011). Failures are used as learning opportunities and the organizations place great emphasis on continuous training and development programs which build employee knowledge and skills. Leaders in such organizations lead by example and are fully involved in the strategy implementation process. (Cole, 2005).

Conservative cultures place emphasis on control through the use of rules and regulations, thus resulting in constant supervision of employees leading to a lack of trust between managers and subordinates. This results in a lack of motivation and employee initiative during the strategy implementation process. This culture also resists the adoption of strategies which deviate from the norm. Implementation of new strategy is considered harmful to the organization and its members thus changes will be rare, with a lot of resistance and little participation from organization members. (Jones & George, 2011).



Power cultures are self-serving as they only enhance the interests of leaders in the organization, as in the hierarchy cultures. This creates pressures for performance thus fostering a political environment in the organization. (Robbins, Judge, & Campbell, 2010). Narrow spans of control make communication complex and slow down decision making, while tight supervision discourages employees. A centralised structure does not give room for employee participation thus stifling employee creativity and initiative in the strategy implementation process. (Cole, 2005).

Similarly, role or Eiffel tower cultures are bureaucratic in nature thus relying on rules, regulations and the use of pressure to get things done. The use of force and manipulation may get things done, but the employees will never feel motivated or have job satisfaction, resulting in a high turnover and failure to deliver on set goals. There will be a lack of understanding of the strategy leading to inefficient implementation. (Robbins, Judge, & Campbell, 2010).

Organizations that have a task culture, market culture or guided missile culture believe in the entire organization working together to accomplish the job. This results in a sense of teamwork which builds motivation in employees and creates a trusting relationship between managers and their subordinates. Employees are also able to seek clarification and guidance from their superiors on certain aspects of the strategy implementation process and receive feedback on their progress towards set goals. This is very important in the strategy implementation process as it gets things done fast and effectively. (Keyton, 2005).

A person culture on the other hand consists of individuals pursuing their own separate interests which can distract them from achieving the organization wide goals. A lack of cohesion and a lack of a shared vision results in a situation whereby employees do

not stand behind the strategy being implemented, and will thus not support it. (Robbins, Judge & Campbell, 2010).

Taking high risks as in the tough- guy/ macho culture is very important to the strategy implementation process, but one must be careful not to pursue this past the point of effectiveness. Organizations may adopt strategies that are over ambitious or unrealistic, leading to difficulties in the implementation process. A work hard/ play hard culture may not be conducive to the implementation of strategy as it engages in low- risk activity while emphasising on fun and action. Getting a balance between the two may prove to be a challenge to organizations that need to urgently implement a given strategy. (Hiriyappa, 2009).

Clan cultures are family- like and focus on nurturing and mentorship of subordinates by their superiors. This helps employees to develop the knowledge, skills and confidence required in the strategy implementation process. An emphasis on teamwork also helps to speed up the implementation process. (Tipster, 2013).

## **2.4 Summary**

From all the above, it is clear that managers must choose the best organizational culture and strategy fit for effectiveness. Managers need to carefully consider all aspects of organizational culture before embarking on the strategy implementation process.

Supportive, clan, innovative, flexible and task cultures unite the entire organization in achieving what is set out in the detailed action plans pertaining to the strategy being implemented in the organization. They provide clarity on who is responsible for the implementation process as well as facilitating the successful implementation of strategy within the allocated time. Resources are allocated equitably and quick

feedback is provided on the progress of the implementation process. These are thus the most appropriate organizational cultures during the strategy implementation process.

It is important for managers to realise that specific strategies are more efficient in specific types of organizational cultures. The type of strategy being implemented will be a determinant of the most suitable organizational culture. For example, a differentiation strategy needs an innovative culture that is flexible to allow room for creativity and risk taking. A low- cost strategy would only do well in a conservative culture where there is greater control through the use of rules and regulations. It is important to align organizational culture and strategy for effectiveness. (Jones & George, 2011).

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the research methodology which encompasses the research design, data collection and data analysis methods that were used in the study.

#### **3.2 Research design**

This research study applied a case study of Nakumatt Holdings Limited. A case study is whereby detailed and intensive information is collected from one study unit. (Cooper & Schindler, 2003). This allowed an in depth investigation of the company's organizational culture as well as the implementation of strategy in that context, and how the two impacted each other. The findings of this case study enabled the researcher to make generalizations for all supermarkets in the Kenyan retail trade industry.

#### **3.3 Data collection**

This study used both primary and secondary data sources to collect data. Secondary data was collected through analysis of the organization's strategic plans and mission and vision statements in order to identify the dominant culture at Nakumatt Holdings Limited and how it manifested itself in the organization. Secondary data also provided information on the impact of organizational culture on strategy implementation at Nakumatt Holdings Limited. Primary data was obtained from conducting an interview with the person responsible for strategy implementation in the organization. He provided key information on the strategy implementation process at Nakumatt Holdings Limited.

The interview is a qualitative research data collection method that involves face to face or telephone discussion with the interviewee about the topic under study. It is administered through the use of an interview guide which can contain both closed and open ended questions. (Cooper & Schindler, 2003). Open ended questions allowed the interviewee to elaborate on his answers and responses, depending on how he might have perceived or interpreted the questions asked. The interview guide enabled the researcher to collect relevant information from the interviewee through proper guidance and clarification of questions.

The interviewee was the director, strategy and operations at Nakumatt Holdings Limited. He was the most suitable person to give information on the research subject because he was the most knowledgeable about the organizational culture of Nakumatt Holdings Limited and the strategies adopted by it.

The researcher had a face to face interview with the interviewee in order to gain a full understanding of the strategy implementation process at Nakumatt Holdings Limited. This enabled the researcher to seek clarification where possible on the questions asked.

### **3.4 Data Analysis**

Data collected in this study was analysed through content analysis. Cooper and Schindler (2003) define content analysis as a research technique used to make valid inferences by interpreting and coding textual material. It involved reading and compiling all the information obtained from the interview. The interviewee's responses to questions in the interview guide provided important information about his views about aspects of organizational culture and strategy implementation at Nakumatt Holdings Limited. This research study took a qualitative data analysis

approach whereby it explained information obtained from the interview. The data analysis sought to answer the research objective of this study.

## **CHAPTER FOUR**

### **DATA ANALYSIS, RESULTS AND DISCUSSION**

#### **4.1 Introduction**

This chapter presents the findings of the research study. The findings are presented as background information of interviewee, organizational culture at Nakumatt Holdings Limited, implementation of strategy at Nakumatt Holdings Limited, impact of organizational culture on the implementation of strategy at Nakumatt Holdings Limited and managing the impact of organizational culture on strategy implementation at Nakumatt Holdings Limited.

#### **4.2 Background information of interviewee**

The researcher was only able to interview one of the interviewees as the Managing Director was unavailable due to a busy schedule. The Regional Director Strategy and Operations provided relevant information on the subject matter. He has 43 years of experience in the management of strategy, with 12 years in the retail industry. He has been in charge of the formulation, implementation and evaluation of strategy at Nakumatt Holdings Limited for the past three years.

His job involves effectively positioning the company against competitors in the retail industry, specifically supermarkets. This is done through the use of strategy to create a competitive advantage and undertaking various strategic initiatives to meet organizational objectives. As he is also in charge of operations in the organization, he is well aware of the cultural manifestations at Nakumatt Holdings Limited. The interviewee was thus very knowledgeable on the research topic and provided important information that was necessary in realising the research objective.

### **4.3 Organizational culture at Nakumatt Holdings Limited**

The interviewee expressed that organizational culture is the shared values and beliefs held by organizational members. He stated that culture is something that is managed by everyone within the organization. It helps to distinguish the organization from other organizations and provides a form of identity to the employees of Nakumatt Holdings Limited.

Nakumatt Holdings Limited is committed to providing quality, value, service, variety and lifestyle to its stakeholders. Through the use of the slogan "you need it we've got it", Nakumatt Holdings Limited has committed to providing a differentiated retail experience for its customers by providing an all under one roof retail solution for a wide selection of products and services. The slogan has helped Nakumatt Holdings Limited employees to identify with the organization's key principle of meeting customer needs, thus building solid relationships with customers, employees, suppliers, corporate partners and the East Africa community at large.

Nakumatt Holdings Limited is an organization that has a people centric culture that recognizes the need to value its key stakeholders as they are the ones who help the organization to achieve its objectives. The interviewee stated that while it is important to satisfy the business needs, one cannot do so without the help of the organizational members. It is important to create value proposition for the people working in the organization by recognizing their material and psychological needs. This will drive loyalty and commitment to the organization.

Organizational members can either make or break the brand. Nakumatt has committed to delivering on the promises it makes to its employees which has resulted in high levels of motivation among its staff. The interviewee noted that organizational culture



creates a snowballing effect which determines the performance of the organization. Having a friendly culture in which there is open communication and teamwork has helped Nakumatt Holdings Limited to achieve its organizational objectives while meeting the needs of its employees. Having a clan culture in which all subsidiaries operate as one big family has created a healthy working environment in which there is shared meaning and understanding of the company's key principles.

Nakumatt Holdings Limited also has an innovative culture which is characterised by finding new and better ways of doing things. The interviewee described the organization as one in which taking risks and creativity is highly encouraged. New challenges are continuously undertaken through a system of trial and error. Organizational members learn from their mistakes and are trained on the most efficient systems of work design. The organization differentiates itself from competitors by continuously renewing its competencies and capabilities by carefully monitoring trends in the global market and adopting some of those new practices right here in Kenya.

#### **4.4 Implementation of strategy at Nakumatt Holdings Limited**

Nakumatt Holdings Limited applies a participatory approach when it comes to the implementation of its strategies. First, it is important to understand the business and what it hopes to accomplish. Managers in the organization look at the organization's present position and determine where it needs to go. Based on this, a suitable strategy is chosen. The interviewee said that the implementation of strategy at Nakumatt Holdings Limited involves participation and interaction of all organizational members through meetings and sensitization programs which provide feedback on the reception of the proposed strategy.

The directors and top management in the company come up with strategies and then communicate these to the staff in periodical meetings. The feedback obtained from employees is incorporated into the strategy through re-strategizing and then the implementation process begins.

While the implementation process is overseen by the leadership of the organization, employees are given freedom to act and employ their creativity in the process. Directors allocate responsibility for implementation of the action plans to departmental managers who in turn appoint team leaders to champion the process. Implementation is done through a system of delegation. Top management oversees the process but is not actively involved in the day to day activities. They determine the time frame within which the strategy is to be implemented and are in charge of allocation of resources needed. The progress of the implementation process is carefully monitored through the use of technology and key performance indicators.

Sensitization and training programs are used to equip staff with skills and knowledge needed to facilitate the successful implementation of strategy. Sensitization helps to prepare staff for change and provides clarification on certain aspects of the strategy that may not have been understood. This also provides an opportunity for subordinates to give feedback to top management. Implementation is a continuous process which is closely monitored by departmental heads and the results are communicated to the directors. Any loopholes are addressed and managed for effectiveness.

The interviewee stated that it is important to employ broad thinking during the implementation of strategy. Failure to think outside the box results in a variety of challenges. A lack of understanding of certain aspects of the strategy due to poor

communication and lack of clarity leads to delays in the process or improper implementation of the proposed strategy. This can be very costly to the organization in terms of time and resources.

The presence of different personalities in the organization also means that you will have different people pursuing different priorities during the implementation process. This results in the failure of the organization to meet its set targets. The interviewee said that it is very important to be very clear about the strategy that is to be implemented and how it will be implemented. Managers must tell and show subordinates how the implementation is to be carried out. Issuing instructions alone is not enough. This will ensure that all organization members are committed to and have a proper understanding of the process.

#### **4.5 Impact of organizational culture on the implementation of strategy at Nakumatt Holdings Limited**

The interviewee stated that organizational culture is something that can either break or make a brand. Organizational culture can either have a positive or negative snowball effect on the implementation of strategy. The people in the organization are the change agents responsible for the implementation of strategy. He expressed the need to create a conducive and friendly environment in the organization during the implementation of strategy. This helps to get things done faster and more effectively.

A supportive culture is open to change and new ways of doing things. It gives employees freedom to act during the implementation process as well as providing the right frameworks needed for the successful implementation of strategy. Nakumatt Holdings Limited operates in a supportive culture that recognizes the needs of both the employees and the organization. This drives loyalty among the staff and builds

their commitment to the process, thus resulting in achievement of objectives. Open communication channels enable staff to express their opinions to top management thus reducing conflict. The interviewee noted that unfriendly cultures create a hostile environment which makes teamwork impossible.

Nakumatt Holding Limited's innovative culture has enabled it to successfully implement its differentiation strategy. Innovation has been key in enabling the organization to provide a variety of affordable, quality brands and superior service to its customers. Through continuously reinventing itself, Nakumatt Holdings Limited has created a niche for itself in the Kenyan retail industry which has given it a competitive advantage over its competitors. Nakumatt Holdings Limited provides a differentiated retail experience to its customers through provision of world class ambience, 24 hour shopping, private brands and active social engagement with various stakeholders. This it has achieved through benchmarking itself with powerful world brands such as WalMart.

The innovative culture at Nakumatt Holdings Limited has enabled it to challenge the norm and strive for excellence. Flexibility in the implementation process also allows for certain aspects of the strategy to be changed during the implementation process, should the need arise. The interviewee pointed out that a rigid and conservative culture stifles creativity and initiative resulting in a rather boring work environment in which people feel demotivated.

A clan culture as is evident in Nakumatt Holdings Limited, enables the organization to achieve its objectives through a spirit of teamwork. All the branches of Nakumatt Holdings Limited across the country function effectively due to operating as one big family that is committed to meeting organizational objectives and stakeholder needs.

Nakumatt employs a customer centric approach that focuses on meeting customer needs. This is achieved through the belief that the customer is always right. This belief and value is communicated and shared across all Nakumatt Holdings Limited stores and it unites the entire organization behind creating a pleasant shopping experience.

The interviewee added that person cultures in which individuals are pursuing their own separate interests distract organizational members from focusing on the action plans required to successfully implement strategy. There is need to promote a spirit of teamwork and togetherness (as in the task culture) in the organization so that employees can stand behind and support the brand of the company.

Nakumatt Holdings Limited embodies a role culture in specific instances e.g. when it comes to the implementation of strategies that are customer centric. The organization does not compromise when it comes to matters of punctuality, dealing with customers, quality and communication. Rules and procedures must be followed strictly in those situations. Anything else is simply not accepted. When dealing with customers protocol must be followed in case of any complaints. Courtesy, patience and respect must be observed and staff must be available to assist customers at all times. The interviewee stated that this has helped the organization to satisfy its customer needs. A power and role culture can however be met with a lot of hostility by organizational members. While it gets things done, it is important to create a balance so as not to alienate your staff during the implementation process.

The interviewee described the work hard/ play hard culture as one that may create a bit of confusion during the strategy implementation process. It is difficult to find a balance between work and fun, which may result in misplaced priorities. A healthy

work environment is necessary , but targets must be met at the end of the day. Taking very high risks as in the Tough guy/ macho culture can be detrimental to the organization whereby those risks do not pay off. It also leads to difficulty in the implementation process. The interviewee said that the strategy being adopted need not be overly ambitious, but attainable. It must seem or appear realistic to the persons responsible for the implementation.

#### **4.6 Managing the impact of organizational culture on strategy implementation at Nakumatt Holdings Limited**

Organizational culture has a huge impact on the implementation of strategy at Nakumatt Holdings Limited. The innovative culture gives it a competitive advantage over other organizations in the retail industry. The clan culture on the other hand creates value for the employees while enabling the organization to meet its objectives through a shared spirit of teamwork.

The interviewee expressed that Nakumatt Holdings Limited can manage the impact of organizational culture on strategy implementation by communicating the strategies clearly to all organizational members during periodic meetings and providing sensitization and training programs to staff prior to the implementation process. This will prepare people for the desired changes and broaden their thinking. Effective communication provides clarity and feedback on various aspects of the strategy to be adopted. This will reduce conflict and thus get things done faster and more effectively.

It is important to align the organization members to the strategy being adopted through providing a culture- strategy fit. This can only be achieved through understanding underlying cultural assumptions before embarking on any strategic

initiative. Valuing human resources in the organization builds loyalty and commitment to the strategy implementation process. The interviewee noted that the implementation of strategy will be most successful in an organizational culture that values the welfare of its members. Nakumatt Holdings Limited needs to align its people to the philosophies of the organization either through cultural change or training.

The interviewee added that it is paramount to allow enough time for the implementation of strategy and warned that one cannot expect results immediately as it is a gradual process that should be done in phases. Managers should also implement strategy by trial and error method.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the summary, conclusion and recommendations of the study. It contains the summary of findings, conclusion, recommendations for policy and practise, limitations of the study and recommendations for further research.

#### **5.2 Summary of findings**

Nakumatt Holdings Limited has two dominant organizational cultures, namely the clan culture an innovative culture. These cultures are shared and communicated across all their branches in Kenya and they form the basis upon which work practices and work relationships are governed.

Clan culture is family like and emphasises on nurturing, mentorship and a spirit of teamwork. This helps the entire organization to focus on meeting set targets thus resulting in the successful implementation of strategy. Persons responsible for overseeing the implementation of strategy work closely with their subordinates to ensure efficiency is maintained. They impart necessary knowledge and skills on their teams and provide feedback on the progress towards fulfilment of action plans. Any discrepancies and gaps are immediately addressed and alternative solutions are formulated and adopted. This helps to ensure continuity of work and do away with delays.

An open system of communication in the organization has helped Nakumatt Holdings Limited to clarify various aspects of strategy to its employees thus reducing misunderstandings and ensuring the proper implementation of strategy. It has also provided an avenue through which organization members can express their concerns



and ideas in relation to the strategies being implemented. Employees are able to own the process as they were included in the decision making process. By valuing its members, Nakumatt Holdings Limited has been able to gain their loyalty and commitment to the implementation of strategy. The organization should however be careful not to alienate its employees through the use of strict rules and regulations during implementation of customer centric strategies.

An innovative culture has helped Nakumatt Holdings Limited to take large risks which has resulted in huge pay offs. The organization has been able to expand its operations all across the country and even internationally. A habit of continuously challenging the norm has created a challenging work environment in which employees feel motivated to do better and aim for the best. The result of this has been provision of quality brands and superior service to customers. This has earned Nakumatt Holdings Limited a large pool of repeat customers as well as high profits. Innovation has enabled the company to provide world class ambience, a differentiated retail experience and private brands to its customers thus earning it global recognition and awards in the retail industry.

Nakumatt Holdings Limited has been able to successfully implement its differentiation strategy through meeting customer needs and building solid relationships with its stakeholders. Continuous innovation has been a source of competitive advantage for the organization which has made it the market leader in the Kenyan retail industry.

Taking a participatory and inclusive approach in strategy implementation has united the entire organization in pursuance and accomplishment of organizational goals. All organizational members are involved in the implementation process by being given

freedom to act and use their creativity in the process. Their views and feedback are also incorporated into the strategies being implemented thus reducing conflict and resistance. The employees own the process and are clear about what exactly needs to be done, which gets things done faster and more effectively.

Nakumatt Holdings Limited's organization culture has been very instrumental in helping the organization to meet its goals and objectives. A variety of strategies have been implemented successfully due to a supportive culture which gives room for creativity, flexibility, teamwork and innovation. The 24 hour shopping service is an example of a strategy that was implemented successfully due to organization wide commitment and flexibility. Development of the private brands was also introduced after extensive research to provide a market for local suppliers who were facing stiff competition from foreign markets. The Nakumatt global card has enabled customers to earn and redeem points by shopping frequently at Nakumatt Holdings Limited stores. All these strategies would not have been implemented successfully without a supportive organizational culture. Organizational culture will thus determine the success or failure of the strategy implementation process.

The way forward is to manage the impact of organizational culture on strategy implementation through sensitization and training of employees. It is also necessary to allow enough time for the implementation of strategy and to monitor its progress and reception. In some cases, cultural change would be necessary. It is important to change the mind-sets of people and develop broader thinking. This will help the organization to readily adapt to changes in the global business environment for effectiveness.

### **5.3 Conclusion**

Based on the research findings, some conclusions can be made from the study. Organizational culture is at the heart of organizational life. It is a phenomenon that cannot be ignored. Though it may not be easily identifiable, it is embedded in work practices and governs the relationships between organizational members. Organizational culture can be the difference between successful implementation of strategy and failure of strategy. What was successful at one point in time may fail in the future. Likewise an organizational culture that is successful for one organization might fail in another.

Implementation of strategy is a continuous process that is done in phases to meet organizational objectives within a specified period of time. The task of implementation is both to work within the traditions of an organization and to work outside those traditions where they are inappropriate. There is thus need to closely align organizational culture with strategy for effectiveness. Ignoring underlying cultural assumptions can be costly to the organization during the implementation of strategy. It leads to delays, confusion and resistance from organizational members.

Having a supportive culture that is flexible, innovative and one that values the organizational members is essential to the successful implementation of strategy. By valuing the people, you gain their loyalty and commitment to the implementation of strategy.

Flexibility allows for certain aspects of the strategy to be altered to satisfy the needs of all the organization's stakeholders and to overcome challenges encountered during the implementation process. Innovation opens up the implementation process to creativity and enables organization members to take risks that result in efficiency and

high performance. The element of teamwork as is expressed in the task culture also helps to get things done fast and correctly.

Rigid, power, role, conservative and unfriendly cultures create a hostile work environment in which change is frowned upon and in which challenging the norm is resisted. This makes implementation of strategy slow and impossible while costing the organization heavily. Improper implementation of strategy can lead to huge financial loss as well as demotivation of staff and failure to realise organizational objectives. Such cultures tend to alienate the people who are responsible for implementing strategy which can result in them trying to sabotage the process.

Strategy implementation should be a continuous process that includes all the members of the organization. Constant participation and interaction of organizational members creates a spirit of teamwork which enables employees to own the process and be champions of change. This gets things done fast and effectively, with little resistance. Open communication gives feedback on the progress of the implementation and enables management to identify challenges and gaps early enough. These challenges can then be addressed through sensitization, training and re- strategizing.

Finally, there is need to critically look at and understand organizational culture before embarking on any strategic initiative. The organizational culture will most often determine the type of strategy that will be successfully implemented in an organization. The study has proved that a differentiation strategy will do well in a flexible and innovative culture, while a low cost strategy will only do well in a conservative culture that emphasises on rules and regulations. Whereby the values in the proposed strategy are clashing with those communicated by the organizational culture, there is need for cultural change.

#### **5.4 Recommendations for policy and practise**

This study makes a few recommendations that have an implication on policy and practise. Managers should carefully familiarise themselves with the cultures of their organizations before beginning the strategy implementation process. This will provide important insights on what has been done in the past in those organizations, and how this may affect the success of future decisions. It is necessary to align organizational culture and strategy for effectiveness. Whereby implementing a particular strategy is critical for the success of the organization, cultural change may be the only solution to ensure the successful implementation of strategy.

Strategy implementation should be a participative process that involves all the organizational members. Top management can oversee the process, but should involve their subordinates so as to get their input on the proposed strategy. It should also be done continuously through a series of phases which allow enough time for management to evaluate the reception of the strategy by organizational members. Implementation should be slow enough to overcome resistance, but fast enough to create momentum.

Nakumatt Holdings Limited needs to provide better clarity on the implementation of strategies to its employees and other stakeholders. This will reduce confusion which leads to the improper implementation of strategy. An open system of communication will be able to facilitate this.

Rapid expansion of the organization's operations across the country has also proved to be a challenge that once caused financial problems for the organization. As much as risk taking is encouraged during strategy implementation, Nakumatt Holdings Limited

needs to be careful about which risks to pursue. It is important not to pursue risks past the point of effectiveness as in the tough guy/ macho culture.

Nakumatt Holdings Limited should also come up with policies that support the implementation of strategy. Organization members can be encouraged to support new changes through the use of reward systems. This can be achieved by linking rewards and performance, whereby significant progress made towards achieving set goals as laid out in the action plans, is rewarded through financial and non- financial rewards. This will encourage organizational members to be actively involved in the implementation process.

### **5.5 Limitations of the study**

The study had a time limitation. The process was rushed in order to meet deadlines set by the University. This may have affected the quality of work done and how it was presented as well as the results obtained. There were also some financial constraints.

Use of the interview method as a means of data collection also proved quite challenging as it was difficult to get permission from the interviewees to interview them. Gaining access to the interviewees was subject to their availability and willingness to participate. They were also reluctant to answer some questions because of issues of confidentiality. This may have reduced the accuracy of information collected.

### **5.6 Recommendations for further research**

This research study was only limited to the retail industry in Kenya. Further research on the same can be done in other industries such as the health industry. This will be helpful in determining whether the same variables apply across the board or if it is only limited to the retail industry.

The research can also be replicated in similar organizations in the retail industry such as Tuskys supermarket and Uchumi supermarkets. Data can be collected through the use of a survey in order to compare and contrast information collected among different organizations.

The study focussed on an organization in the private sector. It would be appropriate to test the same variables applied in this study in organizations in the public sector such as Government owned organizations.

Further research can also be done on broader aspects of culture such as national or international culture and the impact that they may have on the implementation of strategy in organizations. This would give a global view on the role that culture plays in strategy implementation across countries.

## REFERENCES

- About Uchumi Supermarket. (n.d). Retrieved March 5, 2015, from <http://www.kenya.uchumicorporate.co.ke/about-us>
- Ahmadi, S. A., Salamzadeh, Y., Daraei, M., & Akbari, J. (2012). Relationship between organizational culture and strategy implementation: Typologies and dimensions. *Global business and management research: An International Journal*. 4(3/4). 286-299. Retrieved from <http://www.gbmr.ioksp.com/>
- Business daily. (2012, May 24). *Survey ranks Kenya as Africa's second largest retail market*. Retrieved from <http://www.businessdailyafrica.com/survey-ranks-Kenya-as-Africa-second-largest-retail-market>
- Cole, G.A. (2005). *Organizational Behavior*. London: Thomson Learning.
- Cole, G.A., & Kelly, P. (2011). *Management: Theory and Practice (7<sup>th</sup> ed.)*. London: Bookpower.
- Cooper, D.R., & Schindler, P. S. (2003). *Business research methods. (8<sup>th</sup> ed.)*. McGraw- Hill. Boston.
- Freeman, R.E. (1984). *Strategic Management: A stakeholder approach*. Boston: Pitman.
- Galbraith, J. (1973). Contingency theory. (n.d.). Retrieved March 5, 2015, from [http://www.faculty.babson.edu/krollag/org\\_site/encyclop/contingency.html](http://www.faculty.babson.edu/krollag/org_site/encyclop/contingency.html)
- Hiriyappa, B. (2009). *Organizational Behavior*. New Delhi: New age international publishers.



- Jacobsen, D. (2012). *6 big mergers that were killed by culture and how to stop it from killing yours*. Retrieved from <http://www.globoforce.com/gfblog/2012/6/big-mergers-that-were-killed-by-culture/>
- Janicijevic, N. (2012). *The influence of organizational culture on organizational preferences towards the choice of organizational change strategy*. Retrieved from <http://www.doiserbia.nb.rs/ft.aspx?id=0013>
- Jones, G.R., & George, J.M. (2011). *Essentials of Contemporary Management (4<sup>th</sup> ed.)*. New York: McGraw- Hill/ Irwin Inc.
- Keyton, J. (2005). *Communication & Organizational Culture: A key to understanding work experiences*. Thousand Oaks: Sage Publications Inc.
- Muchira, W. N. (2013). *The role of organizational culture in the relationship between strategy and performance of commercial banks in Kenya*. Unpublished MBA project, School of Business, University of Nairobi.
- Muthoni, E. (2012). *Effects of organizational culture on strategy implementation in commercial banks in Kenya*. Unpublished MBA project, School of Business, University of Nairobi.
- Nakumatt Holdings business overview. (n.d.). Retrieved February 12, 2015, from <http://www.nakumatt.net/about/overview>
- Nakumatt Holdings top company. (n.d.). Retrieved February 12, 2015, from <http://www.proudlyafrican.info/Kenya/Nakumatt-Holdings-Top-Company.aspx#>

- Neven, D., & Reardon, T. (2003). *The rapid rise of Kenyan Supermarkets: Impact on the fruits and vegetables supply system*. Retrieved from <http://www.fao.org/es/esn/food.../nevenF.pdf>
- Rick, T. (2014). *Organizational alignment is the glue for achieving better performance*. Retrieved from <http://www.torbenrick.eu/t/r/xpa>
- Robbins, S.P., Judge, T.A., & Campbell, T.T. (2010). *Organizational Behaviour*. Harlow: Pearson Education Limited.
- Shem, O. N. (2009). *Alignment of strategy and organizational culture in the mobile phone service providers in Kenya*. Unpublished MBA project, School of Business, University of Nairobi.
- Stoner, C. R. (1987). Distinctive competence and competitive advantage. *Journal of Small Business Management*. 25(2). 33-39. Retrieved from <http://www.onlinelibrary.wiley.com>
- Teece, J.D., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*. 18(7). 509-533. Retrieved from <http://www.business.illinois.edu/>
- Tinney, C.M. (n.d.). *Evaluating organizational culture: Preparing for implementation of a strategic planning process in the Holland fire department*. Retrieved from <http://www.usfa.fema.gov/pdf/>
- Tipster. (2013). *Types of organizational culture*. Retrieved from [http://www.artsfwd.org/4 types of org culture/](http://www.artsfwd.org/4%20types%20of%20org%20culture/)

Tuskys About us. (n.d.). Retrieved March 5, 2015 from  
<http://www.tuskys.com/index.php/about-us-html>

## APPENDICES

### Appendix i: Introduction letter

25<sup>th</sup> May 2015

Esther Wanjiru Karanja

P.O. Box 58840, 00200

Nairobi

The Regional Director, Strategy and Operations,

Nakumatt Holdings Limited,

P.O. Box 78355- 00507

Nairobi

#### **RE: PERMISSION TO COLLECT DATA FOR ACADEMIC RESEARCH**

Dear Sir,

I am a student at The University of Nairobi pursuing a Master of Business Administration degree in Strategic Management. One of the requirements for the award of this degree is to carry out a research study within my area of specialization. My research topic is organizational culture and the implementation of strategy. I would like to use Nakumatt Holdings Limited as my case study, as it is an organization that is continuously reinventing itself and is a clear leader in the retail industry. All information collected will solely be used for academic purposes.

I humbly request for your permission to conduct a face to face interview with you at your earliest convenience. All assistance provided in the matter will be highly appreciated.

Kind regards,

Esther Karanja

# APPENDICES

## Appendix ii: Interview guide

### PART A: PERSONAL INFORMATION

**Instruction:** Please tick (✓) the appropriate and fill in the spaces where necessary.

1. Occupation.....

2. Educational background

Diploma ( ) Undergraduate ( ) Postgraduate ( )

Any other (specify).....

3. Years of work experience

Less than 20 years ( ) 20 years ( ) More than 20 years ( )

4. What does your job involve?

.....  
.....

### PART B: ORGANIZATIONAL CULTURE

5. What are your views about organizational culture and its importance to the organization?

.....  
.....

6. Which is the dominant organizational culture at Nakumatt Holdings Limited?

.....  
.....

7. How does this organizational culture manifest itself at Nakumatt Holdings Limited?

.....  
.....

**PART C: STRATEGY IMPLEMENTATION**

8. How is strategy implemented at Nakumatt Holdings Limited?

.....  
.....

9. Who is responsible for the implementation of strategy at Nakumatt Holdings Limited?

.....  
.....

10. What challenges are encountered during the implementation of strategy in your organization?

.....  
.....

**PART D: IMPACT OF ORGANIZATIONAL CULTURE ON STRATEGY IMPLEMENTATION**

11. In your view, how do the various organizational cultures impact the various stages of the strategy implementation process? (Allocation of responsibility, drafting of action plans, establishing a timetable, allocation of resources, measurement and evaluation)

a.) Supportive versus unfriendly cultures

.....

b.) Innovative versus conservative cultures

.....

c.) Rigid versus flexible cultures

.....

d.) Clan versus person cultures

.....

e.) Power and role versus task cultures

.....

f.) Tough guy/ macho culture versus work hard/ play hard culture

.....

12. In your opinion, which is the ideal organizational culture for the implementation of strategy?

.....  
.....

13. How does the organizational culture at Nakumatt Holdings Limited impact the implementation of strategy there?

.....  
.....

14. How can Nakumatt Holdings Limited manage the impact of organizational culture on the implementation of its strategies?

.....  
.....

**END**

**THANK YOU**