

**STRATEGIC MANAGEMENT PRACTICES AND ORGANIZATIONAL
CULTURE AMONG MICROFINANCE INSTITUTIONS IN KENYA**

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DECLARATION

This research project report is my original work and has not been presented for a degree in any other university.

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May the Almighty God reward you appropriately.

DEDICATION

This work is dedicated to my family and most of all to my parents for believing in me and their relentless support and inspirational encouragement. Your prayers brought me this far. Amen.

ABSTRACT

Central to the strategic management process are procedures that include effective management practices that allow the company to counteract unforeseen occurrences, while also protecting its operations, minimizing risk, and providing quality services. Organization's culture creates values and beliefs among organization employees which influences the implementations of strategic management practices for the success of the organization. Organizations should develop culture that puts more focus on creating long-term relationships among employees. Generally, culture is usually stable and hard to change, however the Covid pandemic necessitated rapid change in organization culture due to remote working and use of new technology. The purpose of this study was to establish the relationship between strategic management practices and organizational culture on microfinance institutions in Kenya. The research was based on resource-based theory and Schein's organizational culture theory. The chosen study design was a descriptive survey. The 50 microfinance institutions in Nairobi County made up the study's population. Primary data was obtained via a questionnaire. The questionnaires were given to the key managers who are involved in strategy formulation. Data analysis involved both descriptive and regression analysis. The study revealed that microfinance institutions in Kenya practice strategic management practices to a great extent. The study found that there's a positive relationship between culture and setting of mission and vision, environmental scanning, strategy formulation, strategy implementation and evaluation and control. The study also found that setting of mission and vision, strategy formulation, environmental scanning strategy implementation and evaluation and control were among the key factors that could be used to explain organizational culture as they explained 72.3% of the variation in organizational culture. The study concludes that setting of mission and vision, environmental scanning, strategy formulation, strategy implementation and evaluation and control contributes positively to organization culture among microfinance institutions. The study recommends that microfinance institutions should invest substantially in making sure that the employees of their organization understand and align with organization culture and strategic management practices. Future studies should investigate other determinants of organization culture that were not addressed in this study.

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LIST OF ABBREVIATION AND ACRONYMS

AMFI	Association of Microfinance Institution
CBK	Central Bank of Kenya
KCB	Kenya Commercial Bank
KPLC	Kenya Power and Lighting Company
MFIs	Microfinance Institutions
NGOs	Non-Governmental Organizations
PESTEL	Political Economical Socio Technological Environmental Legal
RBVs	Resource Based Theory
SMEs	Small Medium Enterprises
SWOT	Strength Weaknesses Opportunities Threat
UK	United Kingdom

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategic management is a notion whose main thrust is securing satisfactory performance of an organization by continually aligning the organization's internal capabilities with the needs of the surrounding environment. Strategic management techniques allow companies to better assess their position in the market and identify the options that are most important to their future success. The level of fit between the internal capacities of a firm and its surrounding determines its level of long-term success. According to Niwagba (2013), organizational culture has a substantial impact on the use of strategic management approaches.

Furrier, Thomas and Goussevskaia, (2008) discovered that culture has an impact on the implementation of strategic management practices. The Covid-19 pandemic has tremendously affected organization culture. The worldwide lockdown has significantly affected the nature of work and corporate interaction at work place. People have learned that they can complete work remote and virtually without physically being in an office. Firms worldwide have left their essential work space and adopted new technology tools, this has subsequently led to separation of power between the organization workers and their leaders. Generally, culture is usually stable and hard to change, however the Covid pandemic necessitated rapid change in organization culture due to remote working and new technology use.

This research was based on theories of: resource-based Theory and organizational culture theory. Wernerfelt, (1984) advanced the Resource based theory. According to the Resource-Based approach, organizational advantage originates more from internal resources, such as talent, technology, and expertise, than on external positions or

resources. Strategic management techniques may be successful only if the specific resources of the company are available. One of the most often cited ideas in the study of organizational culture is Schein's (1990).

Microfinance organization is a licensed financial institution permitted to conduct microfinance bank operations in Kenya. They provide retail, transaction, savings, and lending services to low-income customers, and provide additional financing to entrepreneurs (CBK, 2018). The Kenya Central Bank was granted oversight over the main microfinance institutions and their accreditation and regulation. Innovative service models help financial institutions build long-term financial sustainability and contribute to increased financial inclusion for clients. According to a recent AMFI study, 45 Microfinance institutions (MFIs) operate in Kenya as of June 30, 2021. Microfinance is a huge part of Kenya's lower-class economy. To accomplish this, the firm offers affordable financial services that enable the consumer to meet their financial requirements.

1.1.1 Strategic Management Practices

The long-term objective of the company is determined by strategic management choices (Mwasi, 2014). Strategic management techniques include four basic components that form the building blocks. The environment scanning, strategy development, strategy execution, and strategy assessment and control tools are included in this tool set (Wheeler & Hunger, 2008). In order for a company to succeed, strategic management plays a major role (Chell, Haworth & Brearley, 2014). It is defined by the strategies used in a certain context.

Strategic management practices are defined as the creation and implementation of plans to achieve the specified business objectives and, as a result, outperform competitor's

firms (Betti, Gambardella, Helfat, & Mitchell, 2015). Since organizations continue operating in settings that are constantly changing, there are external opportunities and threats that must be taken advantage of and handled with to recognize suitable alertness, without which superior performance would be unattainable. The survival and prosperity of organizations depend on this. Comparatively to businesses that do not use them, strategic management approaches effectively improve performance (Johnsen, 2018). The role of strategic management and the underlying strategies in helping companies adapt to rapidly marketplaces and provide firms enhanced value to their clients relative to rivals is crucial to succeed in environments that are continuously changing.

The corporate, business, and functional levels of decision-making are all focused on strategic management methods. The formulation of initiatives that are suited to the environment in which businesses function is guided by strategic management practices, which are essential to all firms (Lasserre, 2017). Adoption of the right strategies that considered both internal and external environmental aspects to increase company competitiveness results in organization performance. Practices in strategic management help firms set long-term goals and reduce change resistance, two key components of great performance. The procedures encourage organizational efficiency by coordinating organizational efforts, accepting diversity, and implementing straightforward structure designs that would benefit from corporate responsiveness (Samuel & Ogutu, 2015).

1.1.2 Organizational Culture

Organizational culture is an organization's expectations; experiences, philosophy and values that grip it together, and is communicated in its rational self-view, inward operations and connections with the global markets as well as future desires (Anali,

Skvarciany, Gaile, 2015). It influences everything from how the business thinks and operates to the things that it values and aims for in the future (Warrick, 2015). When there are common ideals, powerful cultures may be established (Batteau, 2000). Culture is generally considered beneficial if it boosts a company's productivity and efficiency, but problematic if it impairs the overall performance of the business. To sum up, to better implement the strategy we need a strong and good culture. According to Van's (2017) theory, those who are less powerful within an organization are more likely to anticipate and accept an unequal distribution of power. Social equality and consultation are characteristics of low power distance civilizations. Cultures that emphasize individuality as opposed to collectivism examine the degree to which people are integrated into communities, whereas individualism places emphasis on the rights and accomplishments of the individual.

Collective action projects are managed in a spirit of cooperation. The degree to which people manage anxiety and uncertain events is shown by their level of uncertainty avoidance (Quinn, 2015). Relationships between genders' emotional roles and the dispersion of masculine and feminine cultures. The strengths of dominating cultures in male cultures relate to efficiency and accumulation of material wealth, while their primary values are found in quality of life (Hang, & Lin2015). Short-term cultures pay attention to the present and history, whereas long-term civilizations keep an eye on the future. Lastly, indulgence culture promotes freedom to human desires whilst restrain culture operates on strict norms and regulations to control desires of the society.

1.1.3 Microfinance Institutions in Kenya

There are microfinance institutions registered under various laws in Kenya including: The Non-Governmental Organizations Coordination Act; the Building Societies Act;

The Societies Act; The Companies Act; The Trustee Act; The Banking Act; The Kenya Post Office Savings Bank Act; and the Microfinance Act (www.treasury.go.ke). Microfinance Act, 2006 that became operational in 2008, regulates the MFIs operation, business establishment, licensing and supervision (Yunus, 2003). In spite of the fact that, the Kenyan microfinance division is a standout amongst the most dynamic in Sub-Saharan Africa with a decent variety of institutional structures and a decent foundation to serve poor people, microfinance activities were not managed until 2006. The absence of regulation to some degree restricted their performance. Institutions were set up effortlessly with no minimum capital requirement. In this condition, the microfinance business has created and figured out how to achieve sensibly high outreach.

According to Association of Microfinance Institutions Report (2013/2014), the last decades or so has seen a tremendous growth of MFIs and this has been attributed to high demand for credit facilities by small business commonly known as SMEs who because of their fragmented nature of their finance sources find it difficult to secure credit from commercial banks. Their development and growth revolve around formal and informal groups usually known as chamas (Wijesiri & Meoli 2015). The fast establishment of MFIs in the financial sector has seen major banks in Kenya re-strategizing to maintain their market share.

1.2 Research Problem

An organization to achieve success it should understand its internal and external environment. The speed at which organizations react to the changes in the environment can give an organization a competitive advantage. (Pearce & Robinson, 2009). Central to the strategic management process are procedures that include effective management practices that allow the company to counteract unforeseen occurrences, while also

protecting its operations, minimizing risk, and providing quality services (Cameron, & Quinn, 2011). The need for a firm area of knowledge on organizational culture and how it can influence strategic management techniques would emerge during the next decade. Organizations are therefore, challenged to come up with a culture that puts more focus on creating long-term relationships among employees.

Changes in the microfinance-banking sector have occurred worldwide. Over the last several years, the number of regulated microfinance banks has more than doubled, and their business models and operational environments have changed dramatically (Wijesiri & Meoli 2015). Institution-level performance may be related to institutional plan execution in Africa (Reeves, & Sabharwal, 2013). Kenyans can acquire credit at affordable rates thanks in large part to Kenya's microfinance institutions. Vision 2030 can be achieved in large part due to this initiative. These institutions have already experienced a number of recent alterations, which have enabled them to obtain a more challenging competitive position (Mersland & Strøm, 2014).

Studies have shown that several management strategies have been examined. The authors, Meier, O'Toole, and Boyne (2017) in the UK, examined public organizations' strategies and performance. The research found that strategic management has a strong relationship to the success of UK public organizations. This study sought to find out if microfinance businesses and public corporations had an intimate connection. Nair, Jayaram, and Das (2015) examined strategic management in small businesses. A good connection was discovered between competitive advantage and strategic management in Asian markets. Furthermore, because the study's context was SMEs and its analytical methods were quantitative, it was unable to apply the results to microfinance institutions. Pamulu (2015) conducted the examination of construction industry

performance after implementation of strategic management techniques. Based on the results, the implementation of these strategies favorably affected performance. Qualitative research methods were utilized to conduct the study in the construction industry.

Onyango (2014) examined Kenya Commercial Bank Limited's strategic management practices and performance. Strategic management techniques used by KCB lead to better financial performance. The study was based in banking sector and not microfinance and content analysis was used. According to Odundo (2012), state companies in Kenya use a wide variety of strategic management techniques. It was established that state corporations have adopted strategic management practices at moderate extent. This research though focus was on state corporations and used interview guide for data collection. In this article, Karate Nyaagah (2016) looked at strategic management techniques used by commercial banks in Kenya. Using well-honed management strategies, which produced a greater-than-projected increase in service quality, it was discovered. The study however focused on Commercial Banks in Kenya.

Most research looked at different strategic change management and organizational culture approaches. The aim of this survey was to discover the connection between microfinance institutions' strategic management techniques and the overall organizational culture in Kenya. This study's goal was to investigate how managerial strategy affects microfinance firms' organizational culture in Kenya.

1.3 Research Objective

The research objective was determining the relationship between strategic management practices and organizational culture of microfinance institutions in Kenya.

1.4 Value of the Study

This study would change the way business strategy is thought about academically. It would have practical applications as well as being of academic interest. Findings would provide substantial evidence for further research and use in testing and corroboration of theoretical arguments and ideas, including resource-based theory, contingency theory, and resource-based theory, which helped to build the theoretical foundation for this study.

Administrators of microfinance organizations would learn about organizational structure and tactical management techniques. Additionally, it would raise knowledge of the benefits of effective strategic management techniques among the delegated elements and among microfinance institutions' stakeholders, development partners, and the general public.

Lastly, the government as well as policy makers would use the study to evaluate their policies that would enhance conducive environment for microfinance institutions registered and operating within Kenya encourage growth of many Microfinance institutions given the role they play in economy and living stands of the low-income earners. This research would help guide the policy development process, and if the foundation of the proposed policy were incorrect, the policy goals would likely not be met.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

In the literature, managers and their strategies use many approaches to organizational culture and management methods. The chapter would expound on the research gaps that exist in strategic management practices and organization cultures literature.

2.2 Theoretical Foundation

Resource-based theory and Schein's organizational culture theory would be used in the research.

2.2.1 Resource Based Theory

Birge (1984) proposed this theory. This theory is founded on the supposition that firms analyze their competitive edge via processes of strategic advantage evaluation. The RBVs state that each firm has distinct tangible and intangible resources, and firm capabilities to utilize these resources. This contributes to the distinctions between them. When properly developed, resources possessed by each firm serve as the foundation of each firm's competitive advantage (Pearce & Robinson, 2007).

The theory makes the assumption that resources are naturally present within an organization, and as a result, it does not provide managers or stakeholders with any guide on in what manner resources might be generated or acquired prior to determining if they fit some or all of the criteria listed. The idea is lacking in explaining how the resources are acquired with the necessary skills for organizational success. It notes, however, that an organization may be lucrative in an atmosphere of intense competition. Additionally, as per Rupert (1991), the notion that businesses possessing a competitive edge would continuously prosper is not necessarily true because the theory ignores

other elements outside the company, such as competition as well as other forces not included in Porter's Five Forces.

An organization can plan, direct, organize and deploy resources in such a manner it can attain a sustainable as well as competitive edge by implementing strategic management methods in resource management. One restriction of this theory, according to Brumagim (1994), is that it only takes into account internal organizational issues and ignores external factors. Because the model neglected to take into account external factors, even when a company possesses the skills and resources necessary to create a competitive edge, it can still struggle to turn a profit owing to a lack of demand.

2.2.2 Organizational Culture Theory

This theory proposes that organization culture is a learning result of group's encounters, and in this way, it is generally an oblivious procedure (Schein, 1990). Organization culture influences the strategies that organizations come up with in order to deal with the different changes within the environment they operate in (Hogan, & Coote, 2014). Culture is something that propels and creates after some time and in that limit cannot be adequately constrained on a structure. Different organizations have different cultures thus not possible to copy a culture of another organization. Whenever management tries to copy a culture, they deny an organization the opportunity to develop and grow its own unique culture

An organization culture develops through three main stages as follows: the first stage is where an ideology develops, the ideology gives the employees the power to differentiate between what is right and wrong, makes them understand the values of the organization; second stage is referred as the technological where individual develops abilities and expressions for coming up with products and services for the organization

;the last stage is the consumer frameworks that deals with different groups that influences human interactions and cooperation. (Hatch, 2004). The social culture provides an avenue where individual get to learn from each other in a social setting (Pietersen, 2017). Ghinea and BrĂtianu (2012) supported the above argument by stating that culture influences behavior through its sign in the qualities, customs, legends and images that are found in an association. Besides consisting of three components, culture is also categorized by three discernible stratum.

According to Hogan and Coote (2014), this idea is flawed because management people see culture as something a company possesses and uses to their advantage. That said, people do not generate and replicate culture without a context. Person resources that allow for the production of culture are not produced by the individual. This theory is vital for this research as it brings out the cultures of an organization is made up of a social network that influences it positively and negatively. The activities and behaviors we engage in because of our beliefs are the expression of culture.

2.3 Strategic Management Practices and Organization Culture

Several studies on strategic management have highlighted the importance of organizational culture in creating values and beliefs among organization members with the aim of implementing strategies practices for the organization success. This clearly shows the importance of organization culture to achieve an effective strategic management (Samad et al., 2018). An organizations culture needs to be well aligned with the strategies of the organization or the strategies being implemented. Culture drives the behaviors of employees in the organization, at times culture will perfectly align with the organization culture and other times it doesn't. For a successful

implementation of strategy, an organization has to ensure they align the strategy to the culture (Ngwiri, 2016).

Kandula (2006) asserted that “the key to good performance is a strong culture blended with strong formulation and implementation of the strategy.” In addition, he stated organizations might implement the same strategies but because of different cultures the strategies will not yield the same results. Meier and Boyne (2017) carried out the study, which looked at various organizational practices and organizational cultures in the UK. This research revealed that public companies in the UK have clearly linked strategic management to their organizational culture. Additionally, because the research was conducted in a different setting, results from the current study could not be replicated. In the construction industry in Indonesia, Kariuki (2014) investigated the impact of strategic management methods on company culture. It has been proven that communication changes affect organizational culture in a company. Information and general belief are passed from one person to another with the help of communication. For strategic management practices to be effective firm’s need to have suitable communication channel.

Yunus (2014) examined Lagos metropolis's small businesses and how their strategies and organizational cultures are linked. The results indicate that managerial approaches may influence the small company stock market performance. The findings revealed that strategic management implementation had a positive connection to organization culture of the firm. For the impact to be felt, the research suggested that suitable training, coaching, and alternatives have to fit. The particular culture that each employee adopts may influence the training needs of that individual.

2.4 Empirical Review and Knowledge Gaps

Njeru (2015) performed the case study on SMEs in Kenya. The research objective was to review SME management practices in Kenya. The study used a sample size of 100 SMEs where information was obtained by use of questionnaires. The majority of SMEs has adopted strategic management techniques and this has positively affected their overall performance. It is not possible to extrapolate the findings to microfinance because the context was SMEs.

Mwau (2016) studied company culture impact on the performance of Kenya Power. A 250-population representative sample of the KPLC workforce was utilized. They utilized a cross-sectional survey design, and top management, middle managers, and operational personnel were sampled using a stratified random sampling technique. The presence of processes that enable workers to collect, interpret, and comprehend external changes and translate them into development opportunities reveals an organization's capacity for learning.

Mohammed (2016) establishes strategic management impact on performance of manufacturing firms. The researchers' goal was to learn about the impact of a highly managed environment on cartelized performance. The study used questionnaires in collection of information from the respondents who were top managers of the company. The research discovered that the company's success is neither dependent on managers' strategic planning, control, and organization, nor on rivals' and customers' strategic planning, organization, and control. Developing a company strategy using SWOT, Porter's five forces, and PESTEL analysis is essential. The focus of the study was a packaging company and not micro finance.

Fernandes (2018) looked at the issue of culture and performance in India. It was found out that culture offers cultural traits description as a substantial constituent in the performance scale. The results revealed that the respondents had a natural objection to the launch of innovative operating as well as performance management structures inside the entity. All of the interviewees were found to attach significant importance to various organizational-cultural factors, such as interactions and shareholder engagement.

Yunus (2014) examined small business and the economic performance of Lagos metropolitan to discover strategic management methods. Two hundred and eighty-six (286) small and medium sized enterprises were surveyed, and varieties of correlation methods were utilized for analysis. Strategic management seems to affect small company market capitalization. The findings revealed that strategic management implementation had a positive connection to organizational effectiveness. The effect would be felt if the proper strategists, strategic positioning, strategic planning, and alternative options were used. Furthermore, because SMEs were utilized as an analytical and context element in the study, it is impossible to apply the conclusion to microfinance in Kenya.

Pamulu (2015) studied Indonesia, the construction industry, and strategic management techniques to determine their effect on business performance. Administrators of 49 businesses provided data via questionnaires, and multiple linear regression was adapted for data analysis. The findings indicated that adoption of these practices affected performance positively. In addition, there was evidence that features displayed by asset-capability combinations were very crucial in the determination of competitive advantage of the Indonesian construction enterprises. The focus of the study was the construction sector.

Robbins (2012) asserted an empirical study on organizational culture in Philippine firms. Using convenience sampling and Organizational Culture Scale of Deshpande, Farley and Webster, results obtained from this study of 136 Philippine managers across Philippine companies showed that specific sectors share common cultural characters along the organic mechanistic as well as integration-differentiation scales. The commonalities may be associated by similarity of competitive environment, customer requirements, and stakeholder expectations amongst the firms.

Odede (2016) studied on the strategic management practices and performance of the Kenya National Irrigation Board. To find out the strategy the National Irrigation Board of Kenya has used, and to study the problems that have come up due to that strategy. The results showed that implementing management strategies contributed to the company's higher performance. Njiru (2014) has set a meaningful relationship between strategic management approaches and business performance in motion. As per the research, strategic management techniques are correlated with performance. The case study will form the foundation of the study.

Reddy (2017) while doing a research on Strategy Implementation Factors in the Service Industry discovered that the presence of an effective corporate culture was an important component of strategy implementation procedure. The survey of five electrical companies in Oman and a response rate of 83 percent study addressed in depth roles of both internal and external corporate communication, management, structure of the firm and controls. The conclusions depicted that there exists a strong link between all traits of organizational culture and strategy implementation.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This is a guide on what approach was used to examine the problem. This study's design focused on data analysis methods, and it determines a conclusion using various data display styles.

3.2 Research Design

A research design is a method used by a researcher to sum up several elements of a research in line and critical process, which allows addressing research questions (Kombo & Tromp 2006). In this research, a descriptive survey design was employed. By creating a picture of the market environment with reference to the aspects in concern at a crucial moment, a descriptive method can be made actual. The methodology makes sure it is able to examine what, when, who, and where it pertains to a particular significant and the extent of within the factors.

3.3 Population of the Study

The population for the research was all the microfinance institutions in Nairobi. In Nairobi, there are 50 Micro Finance Institutions as per AMFI Website, (2021). The study carried out a census of the 50 Micro Finance Institutions in Kenya. Cooper and Schindler (2007), states that a census is appropriate where there's a small population and essential where the sample remain unattended too.

3.4 Data Collection

The primary data was collected using a questionnaire. The questionnaires were given to the key managers who are involved in strategy formulation for the firm, they include; business development manager, marketing manager, finance officer, projects manager,

administration manager, IT manager, marketing & communication manager and the human resources manager. The above respondents are well informed about strategic management practices. The questionnaire was broken down into three parts, first part obtained data on the organization characteristics. The second part was on strategic management practices and the third part was on organization culture. The questionnaire had 5-point Likert scale where 1 means no extent, 2 was little extent, 3 was moderate extent 4 was great extent, was very great extent. Due to the study's timing during the 2019 Corona Virus Disease's strict social isolation health measures, the surveys were disseminated via Google Form

3.5 Test for validity and Reliability

3.5.1 Validity

Validity is about how accurate the tools the researcher used in the research to measure the objective variables. When the researcher finds high validity, it an assurance that the tools they are using corresponds to real life situations. Validity ensures there's accuracy in the measurement tools (Kothari,2019). The instrument used to collect data should ensure the data contents are valid and meets the needs of the study, for it to be considered valid. The researcher sort the views of the supervisors on the validity of the instrument before commencement of data collection.

3.5.2 Reliability

Reliability is all about the consistency of the measurement tools used by the researcher. If a researcher measures a variable several times under the same ideal conditions and finds the same results then the measurement can be said to be reliable. (Wanyiri, 2017). To ensure reliability is achieved in this study the researcher used simple and clear instructions on the questionnaire in order for the respondent not to misinterpret ant

question and give wrong responses. In addition, the researcher did a pilot study, the importance of the pilot study was to get feedback from the respondents selected on how easily understandable the questions were. After the pilot study the researcher made several changes on the data collections tool based on the feedback from the respondents who were part of the pilot. The researcher used Cronbach alpha co-efficient to test the reliability of the data collection instrument tool where a co-efficient of 0.8 was deemed to be sufficient. The results of reliability are as shown in Table 3.1

Table 3.1 Reliability Results

Variables	Cronbach's Alpha	Critical Value	Conclusion
Mission and vision	0.962	0.7	Reliable
Environmental Scanning	0.899	0.7	Reliable
Strategy Formulation	0.862	0.7	Reliable
Strategy Implementation	0.937	0.7	Reliable
Evaluation and Control	0.885	0.7	Reliable

3.6 Data Analysis

Data collection was finalized, and the questionnaires was modified for consistency, being defined as 'completed. The answers were analyzed and numerical values assigned for future study. Measurements of central tendency (mean) and measures of dispersion are analyzed via descriptive statistics (variances as well as standard deviation). The presentation included graphs and tables. The following illustrates the use of the multiple linear regression model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

Where: Y = Organization Culture β_1 to β_5 are the regression coefficients

β_0 = Constant Term X_1 = Mission and Vision X_2 = Environmental Scanning

X_3 = Strategy Formulation X_4 = Strategy Implementation X_5 = Evaluation and Control

E = Error term

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The purpose of the study was to examine organizational culture and strategic management practices in Kenyan microfinance. The study looked specifically into setting of mission and vision, environmental scanning, strategy formulation, strategy implementation and evaluation and control and their effect on organization culture.

This chapter focused on data analysis, interpretation, and presentation via offering a discussion of background information, descriptive statistics, regression analysis and a findings discussion.

4.1.1 Response Rate

The researcher administered 50 questionnaires to different micro fiancé organizations that were the subject of the study. 42 of the assigned 50 questionnaires were fully completed and returned. As per Mugenda and Mugenda (2008), a study that has achieved a 70% response rate should be considered exceptional for data analysis as well as inference. The results of the research are as depicted in table 4.1 below.

Table 4.1 Response Rate

Response	Frequency	Percentage
Returned	42	82.98
Unreturned	8	17.02
Total	50	100

Source: (Primary Data, 2022)

From table 4.1 it was deduced that the study achieved a response rate of 82.98%. This implied that the data that was gathered for the study was good for analysis, interpretation and inference.

4.2 Background Information

The research pursued to understand the universal characteristics of the microfinances that were being surveyed. To gather these characteristics, the study collected background information of the microfinance institutions that is, the length of operation of the micro finances, the number of employees and the number of branches that they had throughout the country.

4.2.1 Length of Operation

The study inquired from the microfinance institutions the period of time that they had been in operation. Findings from the study are as shown below.

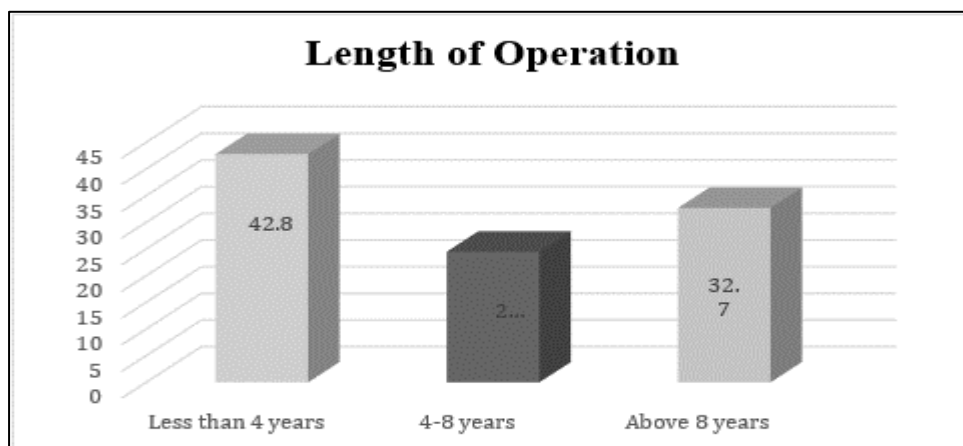


Figure 4.1: Length of Operation

Source: (Primary Data, 2022)

From the research conclusions, it was recognized that 42.8% of the micro finance institutions had been operational for a period that was less than 4 years. 32.7% of the

microfinance institutions had been operating for a duration exceeding 8 years while 24.5% of the microfinance institutions were operational for a period between 4-8 years.

From these findings, it can be inferred that a most of the microfinance institutions have been operational for a duration exceeding 4 years and thus they were knowledgeable about what strategic management practices affect organizational culture. Thus, these microfinances were best situated to give information to further the objective of the study.

4.2.2 Number of Employees

The research also pursued to establish the employees number that the microfinance institutions had employed. The discoveries of the survey are as portrayed in the figure below.



Figure 4.2 Employees

Source: (Primary Data, 2022)

From the figure 4.2 it was determined that the majority of the micro finance institutions 45.8% hired between 301-600 employees. 30.6% of the institutions had a staff of less than 300 people and 23.6% of the microfinance institutions had employees above 600.

These findings imply that the micro finance institutions were of substantial sizes and thus it was very probable that they had strategic management practices in place that could have an impact on organizational culture, hence they were very likely conversant with the subject under study.

4.2.3 Branches

The study also wanted to ascertain, how many branches the microfinances have countrywide. Results from the study are as presented in the figure below.

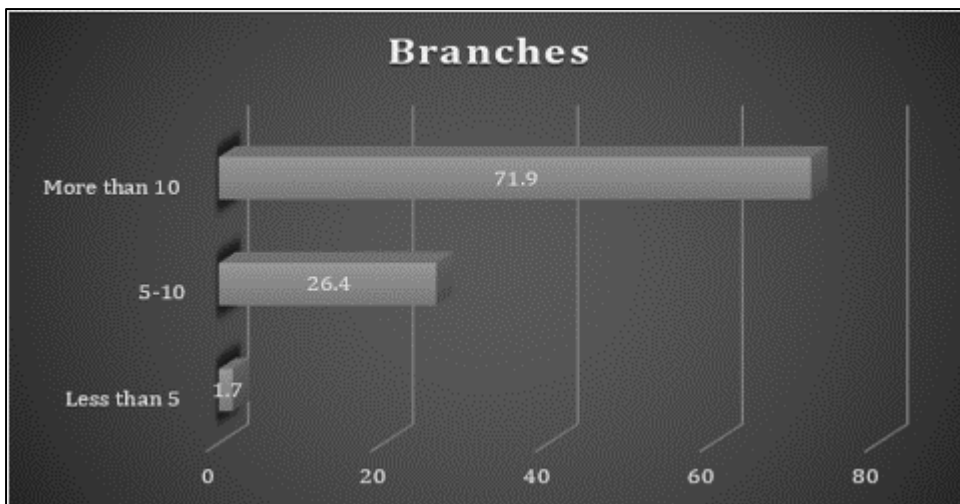


Figure 4.3 Branches

Source: (Primary Data, 2022)

Figure 4.3 indicates that most of the micro finance institutions 71.9% had more than 10 branches. Those that had between 5 and 10 branches were 26.4% while 1.7% had less than five (5) branches.

These results indicate that most of the micro finances had so many branches implying they were big in sizes and thus it is likely that they have an organizational culture that interacts with different strategic practices and hence best placed to inform the study about them.

4.3 Setting of Mission and Vision

The study investigated the process of setting mission and vision in the microfinance institutions. To collect data on setting of mission and vision, the study requested the participants to rate statements about the mission and vision of the micro finances with the use of a Likert scale. The Likert scale that was categorized into five points where; 1=No extent, 2=less extent, 3=Moderate extent 4=Great extent, 5=Very huge extent. The outcomes of the studies are as offered below.

Table 4.2 Setting of Mission and Vision

Setting of Mission and Vision	Mean	Std. Dev
Does the mission and vision define the reason for the company's existence	3.21	0.61
Does the mission and vision identify the customers of the company	3.49	0.75
Does the mission define what the firm wants to be in the future	3.25	0.49
It is stated in terms that are clear and widely understood outside the organization	3.53	0.34
It serves as a framework for current as well as prospective activities evaluation	3.61	0.78
Composite Mean	3.418	0.594

Source: (Primary Data, 2022)

In table 4.2 it is clear that the setting of mission and vision on average had a positive relationship with the organization culture as designated by the 3.418 composite mean and 0.594 standard deviation.

Respondents acknowledged that setting of mission and vision was affected largely by the fact that it serves as a framework for current as well as prospective activities evaluation as shown by the 3.61 mean as well as 0.78 standard deviation. Participants

also acknowledged to a moderate extent that the mission and vision defines the reason for the company's existence as depicted by the 3.21 mean and 0.61 standard deviation.

4.4 Environmental Scanning

To investigate environmental scanning of the micro finance institutions, the study required the participants to rate statements about the environmental scanning with the use of a Likert scale. The Likert scale that was categorized into five points where; 1=No extent, 2=little extent, 3=Moderate extent 4=Great extent, 5=Very great extent. The results of the studies are as presented below.

Table 4.3 Environmental Scanning

Environmental Scanning	Mean	Std. Dev
Industry Analysis is done to identify threats and opportunities so as to match strategy with industry conditions	3.43	0.28
Competitor Analysis is done to understand the competitors so as to have competitive advantage	3.85	0.51
Customer Analysis is done so as to understand the customer so that the firm can develop appropriate strategies to attract and retain them	3.93	0.42
Internal Analysis is done so as to establish the company's internal strength and weakness so as to exploit opportunities and deal with threats	4.11	0.95
The environmental scanning is done frequently by the firm	3.72	0.64
Composite Mean	3.808	0.56

Source: (Primary Data, 2022)

Findings from the study determined that environmental scanning had a positive relationship with the organizational culture largely as demonstrated by the 3.808 composite mean and 0.56 standard deviation. Internal Analysis done to determine the company's internal strength and weakness to exploit opportunities and deal with threats

as an environmental factor had impact on organization culture largely as depicted by the 4.11 mean and 0.95 standard deviation. Industry Analysis done to identify threats and opportunities to match strategy with industry conditions was the least way through which environmental scanning had an impact on organizational culture as demonstrated by the 3.43 mean and 0.28 standard deviation.

4.5 Strategy Formulation

To assess the effect of strategy formulation on organizational culture the study required the participants to rate statements about the strategy formulation of the micro finances with the use of a Likert scale. The Likert scale that was sub classified into five points where; 1=No extent, 2=little extent, 3=Moderate extent 4=Great extent, 5=Very great extent. The outcomes of the studies are as obtainable below.

Table 4.4 Strategy Formulation

Strategy Formulation	Mean	Std. Dev
The long-term objectives of the firm are set	3.93	0.71
The firm's organizational environment is evaluated by assessing the general economic and industrial environment the firm operates in	3.47	0.56
Quantitative targets are set to fix measurable target values for specific objectives	3.87	0.29
The departments aiming to achieve the set goals work to achieve the set targets by making contributions and thus strategic planning is done for every sub-unit	4.14	0.21
When choosing a strategy, the objectives, strengths, potential, limitations, and opportunities of the company are taken into account.	4.32	0.77
Composite Mean	3.946	0.508

Source: (Primary Data, 2022)

Findings from the table indicated that on average strategic formulation had an impact on organizational culture largely as shown by the 3.946 composite mean and 0.508 standard deviation.

The strategy choice done whereby the best course of action is selected based on the firm's goals, strengths, potential, limitation and opportunities was the major strategic formulation factor that had an impact on organizational culture as shown by the 4.32 mean and 0.77 standard deviation.

The firm's organizational environment is evaluated by assessing the general economic and industrial environment the firm operates in was the least factor through which strategic formulation that had an impact on organizational culture as depicted by the 3.47 mean and 0.56 standard deviation.

4.6 Strategy Implementation

The research too pursued to evaluate the relationship between strategy implementation and organizational culture. In undertaking this, the study requested respondents to rate statements about the strategy implementation of the micro finances with the use of a Likert scale. The Likert scale that was categorized into five points where; 1=No extent, 2=little extent, 3=Moderate extent 4=Great extent, 5=Very great extent. The results of the studies are as presented below.

Table 4.5 Strategy Implementation

Strategy Implementation	Mean	Std. Dev
Aligning of the initiatives is done to make sure that each activity is reviewed against its relevance to the new strategy	4.21	0.32
Budgets & performance are aligned where each division allocates and manages the budgets and then the performance measures are placed in contradiction of strategic goals transversely the entity and every division and staff.	4.14	0.52
The strategy is documented and is flexible (can adopt change) and can therefore be monitored and adjusted	2.93	0.48
The staff are engaged through communication and clarification so that all the organization's staff get	3.58	0.39
The organization structure is aligned to allow strategy to trickle across as well as down the entity in a meaningful and efficient way.	3.43	0.24
Composite Mean	3.658	0.39

Source: (Primary Data, 2022)

From table 4.5 above it is clear that on average strategic implementation had an impact on organization culture largely as shown by the 3.658 composite mean and 0.39 standard deviation.

Aligning of the initiatives is done to make sure that each activity is reviewed against its relevance to the new strategy was the key way through which strategic implementation had an impact on organization culture as demonstrated by the 4.21 mean and 0.32 standard deviation.

The strategy is documented and is flexible (can adopt change) and can therefore be monitored and adjusted was the least way through which strategic implementation had

an impact on organization culture as depicted by the 2.93 mean and 0.48 standard deviation.

4.7 Evaluation and Control

The study also sought to understand how evaluation and control had an influence on organizational culture and vice versa. To do this evaluation, the study asked respondents to rate statements on evaluation and control of the micro finances with the use of a Likert scale. The Likert scale that was subdivided into five points where; 1=No extent, 2=little extent, 3=Moderate extent 4=Great extent, 5=Very great extent. The outcomes of the studies are as offered below.

Table 4.6 Evaluation and Control

Evaluation and Control	Mean	Std. Dev
Tactical evaluation is done to compare performance against the plans set and to detect changes that should be made to the implementation of the strategy	3.15	0.86
Strategic evaluation is done by examining the assumptions against what is really happening in the environment of the organization.	3.26	0.44
Fixing the benchmark of performance is done using quantitative as well as qualitative criteria.	2.88	0.98
Analysis of variance from the standard benchmark is done by mentioning the degree of tolerance limits that are acceptable.	3.86	0.57
Corrective action is taken once the deviation in performance is identified.	4.08	0.39
Composite Mean	3.446	0.648

Source: (Primary Data, 2022)

The research findings revealed that on average evaluation and control had an impact on organization culture to a moderate range as depicted by the average 3.446 mean and 0.648 standard deviation.

Corrective action taken once the deviation in performance is identified was the major way through which evaluation and control had an impact on organizational culture as depicted by the 4.08 mean and 0.39 standard deviation.

Fixing the benchmark of performance is done using both quantitative and qualitative criteria was the least way through which evaluation and control had an impact on organization culture as demonstrated by the 2.88 mean and 0.98 standard deviation.

4.8 Organization Culture

To measure organization, culture the research required participants to rate statements on organization culture of the micro finances with the use of a Likert scale. The Likert scale that was separated into five points where; 1=No extent, 2=little extent, 3=Moderate extent 4=Great extent, 5=Very great extent. The outcomes of the studies are as offered below.

4.7 Organization Culture

Organization Culture	Mean	Std. Dev
This organization recognizes that each individual is unique and does not represent or speak for a particular group	3.73	0.68
By awarding those awards, the company honors its top performers.	3.03	0.32
Leadership in this organization to a large extent influences organizational valued outcomes	3.68	0.91
Most firms consider communication as being essential to the success of providing great services.	3.48	0.43
In this company, diversity fosters an inclusive workplace for all employees.	4.02	0.78
Composite Mean	3.588	0.624

Source: (Primary Data, 2022)

Findings from the study indicated that on average organization culture was present in the microfinances largely as depicted by the 3.558 composite mean and 0.624 standard deviation. Organization diversity produces a work setting which embraces everybody was the greatest way through which organization culture presents itself with a 4.02 mean and 0.78 standard deviation. Firm recognizing workers performing well via awarding certificates was the least way that organizational culture presented itself with a 3.03 mean and 0.32 standard deviation.

4.9 Regression Analysis

The research utilized regression analysis in scrutinizing if a linear link existed between strategic management practices and organizational culture. The model summary, ANOVA, and coefficients tables summarized the research findings. The model summary explains how much variation in the dependent variable is because the

independent variables fitted in the model. The ANOVA table checks if the model fit is statistical significant to forecasting the dependent variable and the coefficient table quantifies the magnitude of the link between the variables. The tables below display the study results.

Table 4.8 Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	0.853 ^a	0.723		0.831	0.727

Source: (Primary Data, 2022)

- a. Dependent Variable: Organizational Culture
- b. Predictors Variable: Setting of Mission and Vision, Environmental Scanning, Strategy Formulation, Strategy Implementation, Evaluation and Control

From the model summary, it was realized 0.723 R Square. This infers that variation of 72.3% in organizational culture can be credited to the model fitness. Hence, organizational culture has a positive relationship with strategy management practices by 72.3%.

Table 4.9 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	12.379	5	2.476	5.002	.000 ^b
1	Residual	16.842	34	0.495		
	Total	29.221	39			

Source: (Primary Data, 2022)

- a. Dependent Variable: Organizational Culture

- b. Predictors Variable: Setting of Mission and Vision, Environmental Scanning, Strategy Formulation, Strategy Implementation, Evaluation and Control

From the Anova table 4.9 it is evident that 0.000 was the level of significance. This this value was below the 0.05 p value. Thus, the model was therefore statistically significant for predicting organizational culture based on setting of mission and vision, environmental scanning, strategy formulation, strategy implementation and evaluation and control.

Table 4.10 Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.146	0.108		1.35185	0.006
Setting of Mission and Vision	0.228	0.638	0.159	0.35737	0.10
Scanning Environment	0.502	0.139	0.453	3.61151	0.16
Formulation of Strategy	1.051	0.305	0.827	3.4459	0.294
Strategy Implementation	0.776	0.267	0.77	2.90637	0.043
Evaluating and controlling	0.578	0.162	0.519	3.5679	0.21

Source: (Primary Data, 2022)

- a. Dependent Variable: Organizational Culture
- b. Predictors Variable: Setting of Mission and Vision, Environmental Scanning, Strategy Formulation, Strategy Implementation, Evaluation and Control

The multiple regression model used is illustrated below:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

Where,

Y = Organization Culture

β_0 = Denoted Constant Term

X₁ = Denoted Mission and Vision

X₂ = Denoted Environmental Scanning

X₃ = Denoted Strategy Formulation

X₄ = Denoted Strategy Implementation

X₅ = Denoted Evaluation and Control

ε was the error term when there was assumed normal distribution

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ denote independent variable coefficients noted

The regression model was submitted as below

$$Y = 0.146 + 0.228X_1 + 0.502X_2 + 1.051X_3 + 0.776X_4 + 0.578 X_5$$

Interpretatively, a change in mission and vision, environmental scanning, strategy formulation, strategy implementation, evaluation and controls will lead to a 0.228, 0.502, 1.051, 0.776 and 0.578 change in organization culture among microfinance institutions in Kenya respectively. The five factors included in this research were critical for impacting organization culture on microfinance institutions in Kenya. The most essential factor was strategy formulation ($\beta_3=1.051$) followed by strategy implementation ($\beta_4=.776$), evaluations and controls came third ($\beta_5=.578$), fourth factor was environmental scanning ($\beta_2=.228$) and lastly the least important factor was setting of mission and vision ($\beta_1=.228$).

4.10 Discussion of the Findings

Conclusions from the research showed that setting of mission and vision, environmental scanning, strategy implementation, strategy formulation and evaluation and control all

had a positive relationship with organization culture as shown by their beta values of 0.228, 0.502, 10.051, 0.776 and 0.578. This implied a single unit change in setting of mission and vision, strategy formulation, environmental scanning, strategy implementation and evaluation and control resulted in a positive change in organizational culture that was equivalent to their respective beta values.

Findings from this research concur with Reddy (2017) who performed a research on strategy implementation factors on five electric companies in Oman. In his study, he concluded that strategic implementation factors have a strong relationship with organizational culture of the service industries.

Results from this research are also concur with Njeru (2015) whose research looked into strategic management practices in SME's in Kenya and their influence on performance. In this study, he drew the conclusion that strategic management practices had a positive influence on organizational culture and performance of the SME's in general.

Conclusions of this research are also in line with those of Odede (2016) whose research looked into the strategic management practices and performance of the Kenya National Irrigation Board. Results from this study indicated that implementing management strategies contributed to the company is a better organizational culture and in turn a higher performance of the firm.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter outlined the findings summary based on the research objective, which was to investigate strategic management practices and organizational culture among microfinance in Kenya. This chapter also presented conclusion, limitation of the study, recommendations, and suggestions for further studies based on the conclusions from the investigated objective.

5.2 Summary of the Findings

Findings from the research showed that on average setting of the mission and vision had a moderate relationship with organizational culture as shown by the average 3.418 mean and 0.594 standard deviation. Environmental scanning was also established to impact organizational culture largely as depicted by the average 3.808 mean and 0.56 standard deviation. Strategic formula was also determined to have a positive relationship with organizational culture largely as demonstrated by the 3.946 mean and 0.508 standard deviation. Strategic implementation was also determined on average to have a great impact on organizational culture as shown by the average 3.658 mean and 0.39 standard deviation. Evaluation and control was also determined on average to have a moderate extent as shown by the average 3.446 mean and 0.648 standard deviation.

Findings from the regression analysis demonstrated 72.3% of the variation in organizational culture was because of the fitted model. Further results from the Anova also showed that the model fit with setting of mission and vision, environmental scanning, strategy formulation, strategy implementation and evaluation and control was

statistically significant to predict organizational performance. From the correlation table it was shown that setting of mission and vision, environmental scanning, strategy implementation strategy formulation and evaluation and control all have a positive influence on organizational culture as indicated by 0.228, 0.502, 10.051, 0.776 and 0.578 respectively.

5.3 Conclusion

The research was undertaken to investigate the relationship between mission and vision, strategy formulation, environmental scanning, strategy implementation and evaluation and control and organization culture. The study found out that organization culture had correlation with strategic management practices as follows; setting of mission and vision (0.228), environmental scanning (0.502), strategy implementation (10.051), strategy formulation (0.776) and evaluation and controls (0.578). From the study, findings it was concluded that setting of mission and vision, environmental scanning and strategy formulation, had a positive and significant relationship with organization culture of microfinance institutions in Nairobi County. This implies that microfinance institutions that are effect in setting of mission and vision, environmental scanning and strategy formulation are likely to improve their organization culture

The study also concludes that strategy implementation, evaluation and control also have positive and significant relationship with the organizational culture of microfinance institutions in Nairobi. The survey also concluded that setting of mission and vision, strategy formulation, environmental scanning, strategy implementation and evaluation and control were among the key factors that could be used to explain organizational culture as they explained 72.3% of the variation in organizational culture.

5.4 Limitations of the Study

The amount of time allotted for the study execution was constrained. The time constraint limited the researcher in exploring the subject under study extensively. However, the researcher utilized the time set aside to the best possible use.

The study was also limited to bias. This was quite evident because some of the questionnaires that were not filled and returned. This bias could be informed by the respondent's fear that since the microfinance industry is quite competitive and giving out information could be giving away their strategies.

The research was too restricted in the context of microfinance institutions thus the data collected and findings drawn from the study are limited to the microfinance institutions. As a result, only microfinances may be assumed to be responsible for the study findings.

5.5 Recommendations for Policy and Practice

The research discovered that setting of mission and vision was a crucial factor in determined the organization culture. Thus, microfinance institutions should invest substantially in making sure that the employees of their organization understand and align with the established organization mission and vision.

The study determined that environmental scanning was a vital factor in determining the organizational culture. Therefore, microfinances should frequently conduct an environmental analysis to understand both the internal and external environment in which they operate in.

The study discovered that strategic formulation was a key factor in influencing the organizational culture of microfinance institutions. Hence, it is essential that

microfinance institutions set up goals that are feasible and quantifiable which will help them determine if the strategies put in place are performing or not.

The study ascertained that strategic implementation was significant factor in influencing organizational culture. Thus, the microfinance institutions should invest in capacity building to ensure that their employees are aware of the strategies put in place and that they are equipped to be able to implement them effectively.

The study also revealed that evaluation and control was a fundamental way through which organizational culture was influenced. Microfinances should therefore come up with both qualitative and quantitative approaches that are practical to help them evaluate and control the strategies that have been in place.

5.6 Suggestions for Further Research

The research recognized that strategic management practices accounted for 72.3% of the variation in organizational culture. Thus the study suggest that other researchers investigate what other factors could have an influence on organizational culture.

The study was also limited to micro finance institutions. Thus, the study suggests that other researchers look into other industries as well and map out how strategic management practices have an impact on organizational culture to avoid generalizations.

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APPENDIX

Appendix I: Questionnaire

The collected data will only be used for academic research and will be utilized in partial fulfillment of a Masters Research project to examine the “effect of strategic management practices and organizational culture amongst microfinance institutions in Nairobi County, Kenya”. We will treat all collected data in strict confidence. There are six divisions.

Section One: Organizational Characteristics

Please tick the most appropriate

1. What microfinance organization do you work for? (Indicate below)

2. The microfinance has been operational for how long? (tick one)

Below 4 years 4-8 years above 8 years

3. How many people work for your microfinance organizations (tick one)

Less than 300 301 - 600 Above 600

4. The number of branches your microfinance organization has in Kenya? (tick one)

Below 5 5-10 in excess of 10

SECTION B: STRATEGIC MANAGEMENT PRACTICES

To what scope do you concur with the subsequent traits on strategic management practices displayed by your entity? In 1-5 scale, tick the suitable response from the alternate offered. 1=No extent, 2=little extent, 3=Moderate extent 4=Great extent, 5=Very great extent.

Component	1	2	3	4	5
Setting of Mission and Vision					
Does the mission and vision define the reason for the company's existence					
Does the mission and vision identify the customers of the company					
Does the mission define what the firm wants to be in the future					
It is stated in terms that are clear and widely understood outside the organization					
It serves as a framework for current as well as prospective activities evaluation.					
Environmental Scanning	1	2	3	4	5
Industry Analysis is done to identify threats and opportunities so as to match strategy with industry conditions					

Competitor Analysis is done to understand the competitors so as to have competitive advantage					
Customer Analysis is done so as to understand the customer so that the firm can develop appropriate strategies to attract and retain them					
Internal Analysis is done so as to establish the firm's internal strength and weakness so as to exploit opportunities and deal with threats					
The environmental scanning is done frequently by the firm					
Strategy Formulation					
The long-term objectives of the firm are set					
The firm's organizational environment is evaluated by assessing the general economic and industrial environment the firm operates in					
Quantitative targets are set to fix measurable target values for specific objectives					
The departments aiming to achieve the set goals work to achieve the set targets by making contributions and as per strategic planning is done for every sub-unit					

When choosing a strategy, the objectives, strengths, potential, limitations, and opportunities of the company are taken into account.					
Strategy Implementation	1	2	3	4	5
Aligning of the initiatives is done to make sure that each activity is reviewed against its relevance to the new strategy					
Budgets & performance are aligned where each division allocates and manages the budgets and then the performance measures are placed in contradiction of strategic goals transversely the organization and every department and staff.					
The strategy is documented and is flexible (can adopt change) and can therefore be monitored and adjusted					
The staff are engaged through communication and clarification so that all the organization's staff get					
Because of the firm's structure, strategy may flow meaningfully and effectively up and down the company.					
Evaluation And Control	1	2	3	4	5
Tactical evaluation is done to compare performance against the plans set and to detect changes that should be made to the implementation of the strategy					

Strategic evaluation is done by examining the assumptions against what is really happening in the environment of the organization.					
Fixing the benchmark of performance is done using quantitative as well as qualitative criteria.					
Analysis of variance from the standard benchmark is done by mentioning the degree of tolerance limits that are acceptable.					
Corrective action is taken once the deviation in performance is identified.					

Section 3: Organization Culture

To what magnitude do you concur with the following assertions regarding organization culture in your firm? In a 1-5 scale, tick the suitable response from the options offered. 1=No extent, 2=little extent, 3=Moderate extent 4=Great extent, 5=Very great extent.

Organization Culture	1	2	3	4	5
This organization recognizes that each individual is unique and does not represent or speak for a particular group					
Workers that do well are honored by the company with certificates of commendation.					
Leadership in this organization to a large extent influences organizational valued outcomes					
Most firms consider communication as being essential to the success of providing great services.					
In this company, diversity fosters an inclusive workplace for all employees.					

Thank You

Appendix II: Kenyan Microfinance Institutions in Nairobi List

1. Eclof Kenya
2. Uwezo Microfinance Bank
3. Neema Health Educational & Empowerment Programme (NEEMA – HEEP Ltd)
4. Rafiki Microfinance Bank Ltd
5. Select Management Services Ltd
6. Springboard Capital
7. Real People Ltd
8. MESPT Micro enterprises support programme trust
9. Solution Finance East Africa
10. Oiko credit Investing in people
11. BIMAS
12. Caritas Microfinance Bank Ltd
13. Century Microfinance Bank Ltd
14. Daraja Microfinance Bank
15. Faulu Kenya Microfinance Bank
16. Vision Fund Kenya
17. Zenka
18. Greenland Fedha Ltd
19. Habitat for Humanity Kenya
20. Hand in Hand Eastern Africa
21. Hazina Development Trust Limited
22. Yehu Microfinance
23. Jitegemea Credit

24. Juhudi Kilimo Co.Ltd
25. Fincredit
26. Kenya Women Microfinance Bank
27. Letshego Kenya Ltd
28. Longitude Finance
29. Maisha Microfinance Bank
30. Money worth Investment Limited
31. Musoni Kenya Ltd
32. Platinum Credit Limited
33. Premier Credit Limited
34. Nyali Capital
35. Progressive credit
36. Jiweze ltd
37. SMEP Microfinance Bank Ltd
38. Asa international
39. Sumac Microfinance Bank Ltd
40. Kipepeo Solutions
41. U&I Microfinance Bank Ltd
42. Ushindi Bora Ltd
43. Liberty Afrika Technologies
44. Diversity Microcredit LTD
45. My Credit
46. PawDep
47. Momentum credit
48. WPML.org

49. Karibu Stronger Together

50. Key Microfinance

Source: Association of Microfinance Institutions Kenya website