

**ORGANIZATIONAL CULTURE AND STRATEGY  
IMPLEMENTATION AMONG COMMERCIAL STATE  
CORPORATIONS IN KENYA**

**ELIZABETH WANJIRU NJOROGE**


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## DECLARATION

### STUDENT'S DECLARATION

I declare that this research project titled is my own original work and has not been presented to any other college, university or institution for any award.


Signed:  Date: 21/8/2023

**ELIZABETH WANJIRU NJOROGE**

**D61/10599/2018**

### SUPERVISOR'S APPROVAL

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

Signed:  Date: **07/08/2023**

**PROF. MERCY MUNJURI**

Department of Business Administration

Faculty of Business and Management Sciences

University of Nairobi

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## **DEDICATION**

I dedicate this work to my family and most of all to my parents Mr and Mrs Njoroge and my sibling Martin Kariithi for believing in me and their relentless support and inspirational encouragement. Your prayers brought me this far.

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## **LIST OF ABBREVIATIONS**

<b>CBK</b>	Central Bank of Kenya
<b>CEO</b>	Chief Executive Officer
<b>CSC</b>	Commercial State Corporations
<b>FMCG</b>	Fast Moving Consumer Goods
<b>GOK</b>	Government of Kenya
<b>RBV</b>	Resource Based View



## **ABSTRACT**

Many organizations continue to record high failure rates in the implementation of their strategies. This is caused by the failure of paying attention to both the internal and external environmental forces affecting the organization. The question of successful implementation of strategies remains an unaddressed challenge in many organizations. Lack of enough knowledge remains a great hindrance to the successful implementation of strategies in the organizational context. Alignment of organizational culture and strategy is hence crucial in getting things done faster, with less effort and in building better results. The aim of this research was to determine the influence of organizational culture on strategy implementation among commercial state corporations in Kenya. The study was based on resource-based view theory and organizational culture theory. A descriptive survey research design was used for the research. The 54 commercial state corporations in Kenya made the population of the study. The study was a census of all the corporations as the population was relatively small. Primary data was obtained using a questionnaire. The questionnaires were issued to the key managers who were mostly the heads of the corporations. The data analysis involved both descriptive, correlation and regression analysis. Findings from the study showed a positive organizational culture effect on strategy implementation. The study also revealed that organizational culture was among the key factors that could be used to explain strategy implementation as they explained 61.5% of the variation in strategy implementation. The study concludes that organizational culture are significant determinants of strategy implementation among the CSCs. The recommendation of the study is that there is need for policymakers to develop guidelines and policies that will help the firms in adopting effective organizational culture. Leadership of the CSCs should create a culture of accountability where employees hold themselves and each other accountable for meeting strategic objectives. Future studies should investigate the effect of organizational culture on strategy implementation of firms in other contexts.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

In strategic management, successful execution of a strategy is a very critical stage of the process of strategy making (Genc, 2017). Strategy making is a management concept that involves the creation of a structured and systematic plan that is intended to achieve an objective. Strategy execution on the other hand is the implementation of the plan in an effort to reach the outlined objectives (Tapera, 2018). Organizational culture is critical in the execution of a company's strategy. Through its assumptions, principles and symbols, organizational culture defines the manner in which organizational members view and interpret the reality as it is outside and within the organization (Janićijević, 2019). Organizational culture, therefore has an influence on how a strategy will be executed within an organization (Bandile, 2019).

This research was guided by two theories namely: the resource-based view theory and the organizational culture theory. The resource based theory explains that an organization can be seen as a collection of intangible and physical resources that can be leveraged to possibly establish a competitive advantage. Organizational culture is one of the firm resources that serve as bedrock on which values, formal norms affecting goals and objectives are anchored (Nawaser et al., 2020). According to the organizational culture theory, organizational culture can be viewed as an essential path towards a comprehensive, interdisciplinary approach to organization's cultural dynamics (Bandile, 2019).

The commercial state corporations in Kenya are of significance as they supply affordable, readily available, and essential goods as well as services in vital sectors like electricity,

health, and transportation. They require a significant capital investment, which the private sector cannot provide. State-owned enterprises, if well-managed, may significantly improve citizens' well-being while simultaneously promoting inclusive development. The commercial state corporations account for approximately 15% of overall government revenue (Mwangi, 2018). The commercial state corporations, however, has faced many challenges that have affected their performance, including shortages of qualified employees, poor strategic planning and execution, compromised security, the Covid19 pandemic and poor organizational processes among others (Uzel, 2021).

### **1.1.1 Organizational Culture**

Organizational culture is a type of collective interpretative system which is shared by an organization's members, due to which they similarly assign meanings to occurrences, people and events (Janićijević, 2019). Organizational culture also refers to the attitudes, beliefs, and values held by group members regarding codes of behavior, styles of leadership, administrative practices, rituals, and customs (Ahmadi et al., 2015). It is a set of shared values or properties that shape the organization's superior value system and contributes to organizational differentiation from other organizations (Bagher et al., 2017).

Organizational culture is vital to an organization's success and is accepted as an integral element of organizational behavior and one of the key determinants of organizational strategy execution (Reddy, 2017). In regards to the issues of how to use human resources and how to respond to developments in the organizational environment, organizational culture is very effective. 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, a firm needs a strong and good culture (Tasgit et al., 2017).

Organizational culture has been measured in different ways but Cameroon and Quinn (2006) model is the most frequently used. This research used the model of Cameroon and Quinn (2006), which involves four kinds of organizational culture, including clan culture, adhocracy culture, hierarchical culture and market culture to determine their influence on strategy execution within the commercial state corporations in Kenya. The Cameroon and Quinn (2006) model was adopted for this study due to its characteristics such as ability to identify a special feature which could be applicable in various organizations and their widespread use in researches both domestically and internationally.

### **1.1.2 Strategy Implementation**

Implementation of strategy is the process of placing policies into practice, including the planning and execution of services, the improvement of operational quality and effectiveness, the creation of organizational structures, assessment of processes and cultures appropriate to suit the new strategy (Genc, 2017). The execution of the strategy is the mechanism by which the company implicitly manipulates the pattern of resource and consumer interactions within its environment to achieve its ultimate objective (Reddy, 2017). It is a structured process consisting of a logical collection of linked activities that enable a business to operate on a strategy. This involves translating the preferred strategy into organizational action to accomplish strategic objectives and goals (Bandile, 2019).

Effective execution of policies is a key to the success of every organization. Despite having a robust strategy development mechanism, many companies are unable to sustain competitive advantage because of poor execution of strategies (Rajasekar, 2014).

Successful execution of a plan happens when organizations' resources and activities are related to strategic goals, when the set targets are accomplished and when key success indicators are identified and the reporting and performance metrics of alignment are identified (Bandile, 2019).

The implementation of strategy is concerned with the execution of selected strategies which includes implementation of tactics such that the growth of the organization is headed in the desired strategic direction (Cater & Pucko, 2010). Effective implementation and execution of strategy depends on keeping a balance between enhancing successes concurrently and curbing failures. When an appropriate alignment exists between administrative mechanisms, organizational capabilities and strategy, it becomes easier to invent and carry out the strategy and to realize the preferred goals (Rajasekar, 2014). To effectively implement a strategy, a balanced scorecard has been identified as a strategic management tool that can be used to this end. The tool has been extensively applied in business and in different industries to align business activities to a company's overall strategy and monitor organization performance. This study used the balanced scorecard to measure strategic implementation within the commercial state corporations.

### **1.1.3 Commercial State Corporations in Kenya**

Commercial State Corporations (CSCs) were founded in Kenya in 1987 under the State Corporation Act Cap 446. The most of the nation's state corporations were established after independence in the 1960s or 1970s (Republic of Kenya, 2020). As per the GoK-Sessional Paper No. 10, (1965), CSCs were primarily established to inspire more Kenyans to participate in the economy, as most institutions were still held by European settlers at the time, a process known as indigenization. As a result, a succession of CSCs was formed,

with the total number of CSCs reaching 240 by 1995. After a series of restructurings to bring them in line with the country's development, there are 54 CSCs across the nation as of December 31, 2021.

The significance of state-owned enterprises cannot be overstated: in Kenya, state-owned corporations account for 15% of overall revenue. State-owned firms add value by being able to supply affordable, readily available, and essential goods as well as services in vital sectors like electricity, health, and transportation. They require a significant capital investment, which the private sector cannot provide. State-owned enterprises, if well-managed, may significantly improve residents' well-being while simultaneously promoting inclusive development (Mwangi, 2018).

The primary issue with Kenyan CSCs is the ineffective culture that has been established within the CSCs, as well as mishandling of finances and absence of strict regulatory oversight (GoK-Sessional Paper No. 4, 1991). This has resulted in the government being overburdened; for example, in 2016, the government paid 23.1 billion shillings to assist Kenya Airways, Uchumi Supermarket, and Mumias Sugar Company in restructuring following a string of losses (CBK, 2016). Poor strategy implementation and governance systems make it tough for CSCs to maintain consistent performance, causing them to fall behind the private sector. As a consequence, the CSCs' services have been insufficient and unreliable, prompting citizens to lose faith in them.

## **1.2 Research Problem**

Organizational culture is the most significant determinant of a strategy's effective implementation. Supportive and compatible organizational culture funnels the execution of an organization's strategy to achieve its performance goals (Mokohi, 2010). Many

organizations continue to record high failure rates in the implementation of their strategies. This is caused by the failure of paying attention to both the internal and external environmental forces affecting the organization. The question of successful implementation of strategies remains an unaddressed challenge in many organizations (Mehdi, 2010). Lack of enough knowledge remains a great hindrance to the successful implementation of strategies in the organizational context (Raps and Kaufman 2005). Alignment of organizational culture and strategy is hence crucial in getting things done faster, with less effort and in building better results (Rick, 2014). It is hence imperative for managers to understand their organizational culture before embarking on strategy implementation (Michela & Burke's, 2008).

For commercial state corporations to enhance their efficiency, an effective organizational culture is needed. The commercial state corporations in Kenya exhibit the different forms of culture namely; clan culture, adhocracy culture, hierarchical culture and market culture. The effectiveness of the adopted culture among CSCs is worth investigating as most of them have continued to post poor performance results. The services provided by most of these governmental institutions are not corresponding with the tax burden borne by the taxpayers (Koech, 2018). Governance institutions such as the Ethics and Anticorruption Commission, the Controller of Budgets, and the Office of the Auditor General have observed an increase in reported corporate accounting and financial scandals in the public sector. Heads of Institutions, CEOs, Directors, Board Members, and Heads of Departments were frequently implicated in these crises for acting unethically in the pursuit of financial gain. All of these things could indicate a lack of an effective organizational culture.

A number of studies have been done globally, regionally and locally on these two variables and their relationship with other environmental factors. Isac and Remes (2018) in a study on the relationship between culture and strategy- a managerial approach explored national cultures from the Eastern and Western parts of the world, they found that national culture has a significant impact on strategy implementation. It is therefore important for organizations to incorporate cultural elements in strategy implementation. Reddy (2017) conducted a study on an FMCG company in South Africa to analyze the relationship between organizational culture and the execution of the strategy. Using a descriptive cross-sectional research design and probability sampling methodology, the findings showed that organizational culture impacts leadership conduct in the successful execution of a strategy.

Locally, a descriptive research study was undertaken by Isaboke (2015) on the influence of organizational culture on strategy implementation in selected universities in Kenya. Using a sample of employees selected using the stratified sampling technique, it was established that dominant characteristics and behavior norms have a strong influence on strategy implementation. In examining the effect of organizational culture on strategy implementation, there exists literature in various industries such as the public service, the manufacturing and corporate sectors. This is considered to be a gap in terms of literature related to strategic management. In a similar study, Mokohi (2010) explored on how the execution of strategy in Kenya's commercial banks is impacted by organizational culture. A census survey design was adopted and data collected from 38 respondents through interview and structured questionnaires. The data revealed that organizational culture is basically captured in narratives that are frequently told and instill certain values to new staff hence influence strategy implementation.



From the literature reviewed, a number of studies show a significant positive relation between organizational culture and strategy implementation in various industries. However, these studies have not been exhausted as there exist contextual gaps that need to be filled. Limited studies have been conducted within the public sector in Kenya. It is from these contextual gaps that this study leveraged upon to determine whether similar results would be obtained in a different setting which is among CSCs operating in Kenya. This study hence sought to answer the research question: What is the effect of organizational culture on strategy implementations among commercial state corporations in Kenya?

### **1.3 Research Objective**

The objective of the study was to establish the effect of organizational culture on strategy implementation among commercial state corporations in Kenya.

### **1.4 Value of the Study**

The research will contribute more insight to the concept of organizational culture and strategy implementation. This in turn contributes to the literal content which adds more value to researchers, scholars and students. The study will also enhance the theoretical literature on resource-based view theory and organizational culture theory. Learning institutions will add this useful information to their knowledge i.e. libraries, repositories etc. for future reference by researchers.

Results from this study will guide policy makers to frame necessary policies regarding organizational culture and its effect on strategy implementation. Irregularities in the commercial state corporations are a matter of concern to the regulators and policy makers. Therefore, the findings will provide important insights in developing effective policies to

enhance strategy implementation of commercial state corporations. Further, more broad-minded and strategic policies aimed at effective strategy implementation will be designed.

The findings of this study will be of importance to the commercial state corporations and its management in Kenya. They will use the findings to determine the appropriate organizational culture dimensions which enhance strategy implementation. Findings from this study will also provide details of precise techniques to undertake against each culture dimension identified. In addition, the management of CSCs will use the recommendations to formulate effective policies.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

In this chapter, a detailed review of theories that form the foundation of the study and recent studies carried out on the relationship between organizational culture and effective implementation of strategy will be discussed. These studies were critical in guiding the study and highlighting the contextual gaps which were filled by the study.

#### **2.2 Theoretical Foundation**

This study was guided by two main theories namely; The Resource-based view theory and the Organizational culture theory. This section will discuss the origins and development of theories, assumption of the theories, their limitations and relevance to the study in question.

##### **2.2.1 Resource Based View**

The Resource-Based View (RBV) emanated from Wernerfelt (2004) and was further expounded by (Barney, 2001). The RBV postulates that enterprise competitiveness can be created on the resources of a business that meets a number of important conditions, such as value, heterogeneity, rarity, sustainability, incomplete mobility, non - substitutability, incomplete impossibility, and ex - ante competition limits (Chen et al., 2018). The RBV postulates that four distinctive characteristics that are important, rare, inimitable & non-substitutable resources, also called empirical indicators, should be used by firm resources. This measure allows the productivity and effectiveness of the business to be increased and also helps in economic development (Acar & Acar, 2012).

The RBV supports that firm success in the long term strategies is resultant from distinctive assets that the company owns (Li & Zhou, 2009). The theory supports that an organization's

strengths would be if a corporation uses its specific advantages and consistently preserves them. Supporters of RBV argue that the business should rely on internal capital rather than external factors to achieve competitive advantage, rendering them distinct from others (Tom, 2010). RBV helps to analyze and identify a company's strategic utility by examining the various combinations of assets, capabilities, skills set and intangibles (Acar & Acar, 2012). According to the RBV perspective, all companies with identical resources could envision the same strategies, implement them, and increase their productivity and proficiency only to the same magnitude without ultimately gaining competitive advantage or better performance (Li & Zhou, 2009).

The resource-based view is criticized for its failure to align with the operations management objective and activities. The scholars who focus on the theory use competitive advantage as the dependent variable, but they do not explain the differences between the relatively few firms with a sustainable competitive advantage and all other firms in the industry. Also, the competitive advantage existing at the business level does not translate to the ordinary level of operations management research. Additionally, the valuable resources that are likely to give an enterprise a competitive edge are rare, valuable or impossible to imitate. When assessing too hard to imitate variables, a problem arises, especially in demonstrating the value of the factor's independent impact on performance. The other challenge of the theory is simple prescription. Precisely, it is hard to prescribe things that firms readily implement because other rivals imitate them quickly (Bain, 2016).

### **2.2.2 Organizational Culture Theory**

Schein (1977) developed the organizational culture theory and explains that organizational culture symbolizes an essential move towards a comprehensive, interdisciplinary approach

to organization's cultural dynamics by joining seminal work in culture theory and organization theory fields as holistic (Bandile, 2009). The theory refers to culture as a pattern of common fundamental assumptions learned by a group as it solves problems of external adaptation and internal integration that have done well enough to be considered precise (Önday, 2016).

According to the theory, there are three levels that define the culture of an organization. These are: artifacts, values and basic assumptions. Artifacts are the physical manifestations of an organization's culture such as language, architecture, physical space, organizational design, ceremonies, social and leadership practices among others. Values on the other hand are members' shared opinions of how things should be. The values help the organizational members classify situations and actions as either undesirable or desirable. Basic assumptions refer to the belief that is taken for granted as a fact and so it is never challenged. A pattern of basic assumptions evolve among the members of a social group and makes the core of any organizational culture (Bandile, 2009).

According to Schein (1985) there are six types of assumptions that form the paradigm for every organization: Assumptions about what is 'true' in physical and social matters, how reality and truth are determined, and whether truth should be revealed or discovered; assumptions on the importance of time in a group, how it should be defined and its relative measurement; assumptions on space ownership and allocation, the symbolic meaning of space around persons, the role that space plays in shaping relationships between individuals, and boundaries between intimacy and privacy; basic assumptions concerning the intrinsic or ultimate aspects of human nature, whether human nature is fundamentally good or bad, and whether it can be perfected; assumptions concerning the organization's

relation with its environment, on the understanding of work and play, and how much activity and passivity should be appropriate; and assumptions on the right way for people to relate with each other, the appropriate ways to distribute power and responsibilities, the relative merits of cooperation vs. competition, individualism or group collaboration, and leadership basics.

The theory explains that organizational culture is non-specific structures manifested on the organization's technology, policies, structure, objectives, products and practices and internal foundation. Generally, the organization's perception by the people is the organizational culture (Bitsani, 2013). The theory also explains that organizational culture is due to the organization's members' social interactions, which occur while the enterprise's external adaptation to the environment and integration internally of the collective problem is being solved (Janićijević, 2012). The theory has been critiqued for not offering solutions on how an organization can change from one culture to another.

### **2.3 Organizational Culture and Strategy Implementation**

Organizational culture is the personality of the organization operating in two levels; the conscious and unconscious which drives an organization in to action. It acts as the operating system which guides how employees think, feel and act and can be dynamic. Culture can be characterized as shared beliefs, attitudes and assumption by a group as it tries to understand how to manage external and internal issues (Schein, 1977). It is further reflected in the activities of daily life. Borgatti (1996) notes that a good culture is consistent internally widely shared and make it clear where acceptable behavior occurs. Organizational culture is influenced by the leaders and purposes for which the organization

was established. It additionally develops within constraints of both internal and external environment, performance expectations, technology, and values of leadership.

Strategy is the unifying theme that directs an organization's decisions. A good strategy fits both external and internal organizations situation and more importantly creates a competitive edge to its competitors. According to David (2003), there are important factors in consideration for successful strategy implementation and these include management of conflict, managing resistance to change, annual objectives, organization structure, policies, and resource allocation.

Implementation of strategy is the transformation of the chosen strategy into organizational action in order to achieve specific goals (Kalali, 2011). It is therefore a phase that involves putting decisions into action and allowing them to influence the performance of an organization. Statistics indicates that many well-formulated strategies are not well implemented due to difficulties in executing (Blahová & Knápková, 2010). Benefits of well strategy implementation include improved customer satisfaction, repeat purchase, loyalty and improved returns on investment. Signs of poor strategy implementation may include low employee retention, low self-esteem and low customer satisfaction (Lefort, 2015).

A strategy must align with the organizational culture in order for a strategy to develop and be implemented effectively. Scholars hold that culture is the atmosphere in the operation of managing customers. More specifically, top management skills are their in-house ability to identify, appreciate and work with organizational culture and their responsibility to discard any culture that does not add value to the operations of the company (Schein, 2004).

For best strategy implementation it is critical that the organizational culture is integrated with the organization strategy and its key practices (Collins & Porras, 1994).

The implementation of organizational culture and strategy are closely related hence relying on either of them will not bring the desired results. The major problem in strategy implementation identified by (Lewis, 1981) is that staff have an overwhelming sense that not fully supportive. Employees therefore struggle or fail to enter into symbolic coding structures and understand fully the scope of their work making strategy implementation difficult to realize. As society supports policy, implementation is flexible and sustainable, thus providing a sustainable competitive advantage. Culture surpasses strategy because it is the only sustainable difference point for any corporation (Schein, 2009).

By empowering workers and rallying them around a collection of meaningful objectives, good culture improves organizational efficiency. Organizational culture originates with strong leaders who articulate a set of company policies in dealing with employees, customers and shareholders. In the long run such cultural foundations dictate how company conducts business and are adopted by employees. Cultural principles are rooted in the strategic thinking of management, which can dictate how a company responds to the external world (Thomson et al, 2005).

#### **2.4 Empirical Studies and Research Gaps**

Various studies exploring the relationship between organizational culture and the execution of strategies have been performed. Baternman and Snell (1999) found that the culture of a company offers a structure that controls the actions of people in the workplace. Harison (2004) explained that organizations will always fail to successfully implement their strategies unless they fully understand and embrace cultural diversities. It is clear that



organization adaptation process is largely dependent on its cultural strategy fit (Schein, 2009).

In the Iranian banking sector, the correlation between organizational culture and execution of strategy was explored by Ahmadi et al. (2012). In this study, a sample of 136 respondents within the banking sector was selected and data analyzed using descriptive statistics. From the result findings, there was a significant positive correlation between cultural characteristics and organizational effectiveness. Additionally, the findings revealed that the Clan culture and Adhocracy greatly affected the implementation of strategy and that market and hierarchy cultures affect strategy implementation. Effective managers should be aware of the multidimensional nature of culture so that they apply its productive function as they implement strategy. The conclusion drawn from the study was that flexibility of cultures is key in strategy implementation process since organizations are more inclined to behave organically in order to react to unpredictable phenomena rapidly.

Amah (2012) surveyed the Nigerian banking industry's organizational culture and its impact on organizational effectiveness. The study sampled 24 banks in Nigeria and collected data via questionnaires and oral interview. Using the regression model, the study found that all the dimension of organizational culture significantly affected strategy implementation. In the study, adaptability was found to have a positive influence on organizational profitability. However, a weak relationship was found between adaptability and organizational productivity. Shared mission, employee relations and shared values significantly impacted profitability and organizational effectiveness. The study concluded that values should be shared among employees because they will always be able to act in the organization's interest. It further realized organizations that encourage strong adaptive

cultures are most likely to foster cooperation among staff and united workforce which promote profitability.

Bandile (2019) investigated how the execution of policy in the South African police service was shaped by strategic organizational culture. In this study, a descriptive survey was adopted and questionnaires used to gather data from 19 respondents. Results from the correlation analysis documented that organizational culture had a positive association with strategy implementation while regression results showed a positive correlation between organizational culture and execution of strategy. The conclusion from the study was that organizational culture positively and substantially influences strategic implementation. Another conclusion was that embraced practices and behaviors that support strategy execution and work was organized so that every individual was able to see the relation between his or her duties and organizational goals. The researcher recommended that policy makers should come up with the policies that supports the culture of involving all employees and stakeholders as part and parcel of the strategic implementation process.

Mutai (2015) explored how implementation of organizational culture is affected by organizational culture in a case study of Airtel Kenya. A case study method was applied and data was collected using interviews from senior managers in the company and content method for data analysis. The study utilized Primary data obtained through interviews from senior managers of several departments within the company. Data collected was analyzed using content analysis technique. The findings of the study indicated that Airtel Kenya has two dominant cultures, that is the Market Culture and the clan culture. Characteristics of Adhocracy and Hierarchy culture were also found. It was hence established that organizational culture within the organization positively influenced strategy

implementation at Airtel Kenya. Coordination of strategic implementation activities was a key success factor while conflicting priorities, weak co-ordination and unclear strategic intentions across different functions impacted negatively to strategy execution. A strong culture facilitates flow of information and work methods that improve strategy implementation.

Akinyi (2015) studied how organizational culture affects strategy implementation at the University of Nairobi. A case study design was adopted and data collected through interviews. Content analysis technique was adopted to carry on the analysis of data. The study showed that University of Nairobi's culture was inculcated from employee recruitment to deployment; the strategies built to support tasks are also observed in the way tasks are conducted. Various methods were used in inculcating culture whereby overall findings revealed that University of Nairobi's strategies were greatly influenced by organizational culture. In a similar study, Mokohi (2010) explored on how the execution of strategy in Kenya's commercial banks is impacted by organizational culture. A census survey design was adopted and data collected from 38 respondents through interview and structured questionnaires. The data revealed that organizational culture is basically captured in narratives that are frequently told and instill certain values to new staff hence influence strategy implementation. In conclusion, for policies to be effectively applied, the components of organizational culture need to be compatible.

From the literature reviewed above, several attempts to understand role of organizational culture and its relationship to other strategic factors have been done. The findings of most studies were conducted in various industries but the findings cannot be generalized to a given setting due to operational differences. Therefore, there was need to fill this gap

through a survey research that addressed the effect of organizational culture on strategy implementation among commercial state corporations in Kenya.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter details the research approach used to examine the impact of organizational culture on the implementation of strategy in the commercial state corporations in Kenya.

This section contains the research design, the selected study population and sampling methods, the data collection tool and analysis methods.

#### **3.2 Research Design**

This research study employed a Cross-sectional descriptive research design since it aimed to analyze the impact of organizational culture on implementation of strategy. A selected number of organizational culture topologies were used to get empirical data on organizational culture and how it affects strategy implementation. The researcher used the survey method in collecting data. A survey approach was selected because it enabled generalization to be done on the study population using a small sample size. It also helped in answering the questions of what, when and how.

#### **3.3 Study Population**

Population is referred to as the total members of a defined class of people, things or events that the investigator selects because they are relevant to the research problem (Sekaran & Bougie, 2011). The target population of this study was the 54 commercial state corporations in Kenya. All the 54 CSCs formed the sample size of the study since the population was small and well defined. Thus, the appropriate data collection design for this study was census since this was a small heterogeneous population.

### **3.4 Data Collection**

This research collected primary data by aid of a questionnaire. According to Khan (2008), questionnaires are the most appropriate for the collection data in a survey of a dispersed population. The structured questionnaire was chosen because the study adopted a quantitative approach. The target respondents were the head of in each organization or their equivalent giving a total of 54 respondents.

A structured questionnaire comprising of closed-ended questions was used in obtaining categorical data that has a numerical nature. Additionally, the data subjects were on a 5-point Likert scale and were precise and explicit to lower probable ambiguity to the respondents. The questionnaire had five-point likert scores ranging from one (the least point) to five (the highest point). The questionnaire was divided into three sections, where section A, covered organizational characteristics, section B covered organizational culture and section C covered strategy implementation. The questionnaire will be administered online via Google form.

### **3.5 Data Analysis**

Data analysis encompassed exploration of descriptive and inferential statistics. The former constituted measures of distribution such as mean and standard deviation. Regression analyses was employed to establish the influence of organizational culture on strategy implementation. Tables were used to present the findings of the studies, which were supported with relevant interpretations as well as discussions. The regression equation model that was used is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where,

$Y$  = Strategy Implementation,

$\beta_0$  = Constant term,

$\beta$  = Regression coefficient

$X$  - Organizational culture,

$\varepsilon$  - Error term

## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION**

### **4.1 Introduction**

This chapter primarily presents the analysis of the data collected, the results and the discussion of findings where the current study findings are compared with previous studies. Specifically, the chapter covers the response rate, the descriptive analysis, correlation and regression analysis conducted to achieve the objective of this research study.

### **4.2 Response Rate**

The researcher issued 54 questionnaires to different commercial state corporations that were the subject of the study. 40 of the 54 administered questionnaires were completed, filled out, and returned giving a response rate of 74.1%. As per Khan (2008), a study that has achieved a response rate of 70% should be considered excellent for data analysis and inference. The study's findings are displayed in table 4.1 below.

**Table 4.1: Response Rate**

<b>Response Rate</b>	<b>Frequency</b>	<b>Percentage</b>
Returned	40	74.1
Unreturned	14	25.9
<b>Total</b>	<b>54</b>	<b>100</b>

**Source: Field Data (2023)**

From Table 4.1, it was deduced that the study achieved a 74.1% response rate. This implied that the data that was collected for the study was sufficient for analysis, interpretation and inference.

### **4.3 Reliability Test**

Testing for reliability of a questionnaire is essential to ensure that the questionnaire consistently measures what it intends to measure. Reliability assesses the degree to which a measurement instrument, in this case a questionnaire, produces consistent and dependable



results. It provides an indication of the instrument's stability and consistency over time, across different samples, and among different raters or observers. The questionnaire items in this study were subjected to reliability tests which were done using Cronbach's Alpha. Generally, a Cronbach Alpha greater than 0.7 implies that the questionnaire is internally consistent. The results are as depicted in Table 4.2.

**Table 4.2 Reliability Results**

<b>Variables</b>	<b>No. of Items</b>	<b>Cronbach's Alpha</b>	<b>Critical Value</b>	<b>Conclusion</b>
Organizational culture	12	0.839	0.7	Reliable
Strategy implementation	9	0.833	0.7	Reliable

**Source: Research Data (2023)**

The Table 4.2 outcomes indicated a relatively high degree of consistency in the variables. Organizational culture returned the highest alpha of 0.839 while strategy implementation variable had 0.833. The two variables had alpha way above the 0.7 recommended by Sekaran and Bougie (2011) and therefore a conclusion was made that the questionnaire was reliable.

#### **4.4 Demographic Analysis**

The study aimed at understanding the general features of commercial state corporations that were being surveyed. To gather these characteristics, the study collected background information of the CSC's that is, year of formation and the number of employees.

##### **4.4.1 Year of Registration**

The respondents of the issued questionnaires were requested to indicate the year the commercial state corporation was registered. The results revealed that majority of the commercial state corporations were registered between 1964 and 1990 with only two outliers. The oldest was formed in 1924 and the youngest registered in 2009.

#### 4.4.2 Number of Employees in the Organization

The research aimed at determining the number of employees in each of the selected CSC in Kenya. The outcomes are presented in Table 4.3.

**Table 4.3: Number of Employees**

<b>Number</b>	<b>Frequency</b>	<b>Percentage</b>
50 or less	0	0%
51-100	9	22.5%
101-150	12	30%
151-200	13	32.5
Above 200	6	15%
<b>Total</b>	<b>40</b>	<b>100%</b>

**Source: Field Data (2023)**

As Table 4.3 depicts 32.5% of the CSCs had between 151 and 200 employees, 30% had between 101 and 150 employees, 22.5% had between 51 and 100 employees while 15% had more than 200 employees. None of the CSCs had 50 or less employees. These findings suggest that most of the CSCs in Kenya are relatively large in size in terms of employee base as 77.5% of them employed more than 100 employees. The implication of this finding to the current study is that the different sizes of CSCs were involved in this study and therefore sufficient to provide inclusive results.

#### 4.5 Descriptive Statistics

Descriptive statistics allowed the researcher to analyze and interpret the mean and standard deviation of the data, providing a clear understanding of the distribution and patterns within the dataset. They also provided a foundation for further inferential statistical analyses and decision-making in the research process.

##### 4.5.1 Organizational Culture

The study investigated the organizational culture in the CSCs. To collect data, the respondents were to rate statements about the organizational culture dimensions of the

CSCs with the use of a Likert scale. Table 4.4 contains the mean and standard deviation for organizational culture dimensions' indicators.

**Table 4.4: Descriptive Statistics for Organizational Culture**

<b>Statements</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev</b>
<b>Clan Culture</b>			
Employees are empowered to contribute towards the success of the organization	40	4.34	0.45
The organization recognizes employee commitment and excellence at work	40	4.31	0.63
Our organization encourages teamwork rather than individual contributions.	40	4.13	0.53
<b>Adhocracy Culture</b>			
Employees are supported and encouraged to take informed risks	40	3.65	0.76
Employees are supported and encouraged to innovate and generate new ideas	40	4.55	0.40
The organization's system makes it easy for employees and customers, to complain and to give suggestions.	40	4.43	0.43
<b>Hierarchy Culture</b>			
There is less micro management in our organization since employees are motivated to work	40	4.10	0.45
Decision making is decentralized to lower levels of management to enhance efficiency in service delivery	40	4.01	0.57
Employees keep track of their commitment and hold each other accountable	40	3.92	0.70
<b>Market Culture</b>			
Our organization makes a great deal of effort to identify market needs.	40	3.95	0.68
The organization clarifies specific goals that are to be accomplished and develops specific measures to determine its success	40	4.07	0.48
The organization employs an external marketing firm to assess levels customer satisfaction	40	3.92	0.73
<b>Overall mean Score</b>	<b>40</b>	<b>4.12</b>	

**Source: Field Data (2023)**

In regards to clan culture, the statement that employees are empowered to contribute towards the success of the organization received a mean score of 4.34 and a standard deviation of 0.45, indicating that employees feel empowered to contribute to the organization's success. The statement that the organization recognizes employee commitment and excellence at work had a mean score of 4.31 and a standard deviation of 0.63, suggesting that employees perceive their commitment and excellence to be recognized by the organization. The statement that the organization encourages teamwork rather than individual contributions received a mean score of 4.13 and a standard deviation of 0.53, indicating that the organization promotes a culture of teamwork over individual efforts.

In terms of adhocracy culture, the statement that employees are supported and encouraged to take informed risks had a mean score of 3.65 and a standard deviation of 0.76, suggesting that there may be some room for improvement in supporting and encouraging risk-taking among employees. The statement that employees are supported and encouraged to innovate and generate new ideas received a high mean score of 4.55 and a standard deviation of 0.40, indicating that employees feel supported and encouraged to be innovative and generate new ideas. The statement that the organization's system makes it easy for employees and customers to complain and give suggestions had a mean score of 4.43 and a standard deviation of 0.43, suggesting that the organization has established a system for easy feedback and suggestions.

In regards to hierarchy culture, the statement that there is less micromanagement in our organization since employees are motivated to work received a mean score of 4.10 and a standard deviation of 0.45, indicating that employees feel less micromanaged and are

motivated to work. The statement that decision making is decentralized to lower levels of management to enhance efficiency in service delivery had a mean score of 4.01 and a standard deviation of 0.57, suggesting that decision-making authority is delegated to lower levels of management for increased efficiency. The statement that employees keep track of their commitment and hold each other accountable received a mean score of 3.92 and a standard deviation of 0.70, indicating that employees are responsible for tracking their commitments and holding each other accountable.

In terms of market culture, the statement that our organization makes a great deal of effort to identify market needs had a mean score of 3.95 and a standard deviation of 0.68, suggesting that the organization places importance on identifying market needs. The statement that the organization clarifies specific goals that are to be accomplished and develops specific measures to determine its success received a mean score of 4.07 and a standard deviation of 0.48, indicating that the organization sets clear goals and measures to determine success. The statement that the organization employs an external marketing firm to assess levels of customer satisfaction had a mean score of 3.92 and a standard deviation of 0.73, suggesting that an external marketing firm is involved in assessing customer satisfaction levels.

The overall mean score across all statements on cultures is 4.12, which represents the average score across all participants and all statements. These descriptive statistics provide insights into employees' perceptions regarding empowerment, recognition, teamwork, risk-taking, innovation, accountability, market needs identification, goal clarity, and customer satisfaction assessment within the four organizational cultures.

#### 4.5.2 Strategy Implementation

The study investigated strategy implementation in the CSCs. To collect data, the study asked the respondents to rate statements about the strategy implementation of the CSCs with the use of a Likert scale. For specific strategy implementation attributes, the mean and standard deviation are shown in Table 4.5

**Table 4.5: Descriptive Statistics for Strategy Implementation**

<b>Statements</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev</b>
<b>Internal Processes</b>			
Production and efficiency goals are achieved both in quantity and quality	40	4.34	0.54
There has been improved effectiveness in the organization's operations	40	4.18	0.45
My organization has set well organized internal control systems	40	4.10	0.45
<b>Customer Focus</b>			
Over time, there has been a rise in the number of new customers.	40	4.01	0.57
There is reduced customer complaints in the firm	40	3.92	0.70
There is increased customer retention in the firm	40	3.93	0.71
<b>Organization Capacity</b>			
The organization equips staff with necessary skills for strategy implementation	40	4.01	0.55
The organization has programs which frequently updates employees skills in strategy execution	40	4.18	0.52
Our organization has systems that accommodate changes during strategy implementation	40	4.07	0.55
<b>Overall Mean Score</b>	<b>40</b>	<b>4.08</b>	

**Source: Field Data (2023)**

In terms of internal processes, the statement that production and efficiency goals are achieved both in quantity and quality received a mean score of 4.34 and a standard deviation of 0.54, indicating that goals related to production and efficiency are being met

satisfactorily in terms of both quantity and quality. The statement that there has been improved effectiveness in the organization's operations had a mean score of 4.18 and a standard deviation of 0.45, suggesting that there is perceived improvement in the effectiveness of the organization's operations. The statement that the organization has set well-organized internal control systems received a mean score of 4.10 and a standard deviation of 0.45, indicating that the organization is perceived to have well-structured internal control systems in place.

In regards to customer focus, the statement that over time, there has been a rise in the number of new customers had a mean score of 4.01 and a standard deviation of 0.57, suggesting that there has been a positive trend in acquiring new customers over time. The statement that there is reduced customer complaints in the firm received a mean score of 3.92 and a standard deviation of 0.70, indicating that there may still be some customer complaints present but at a reduced level. The statement that there is increased customer retention in the firm had a mean score of 3.93 and a standard deviation of 0.71, suggesting that there has been some improvement in customer retention efforts.

In terms of organization capacity, the statement that the organization equips staff with necessary skills for strategy implementation received a mean score of 4.01 and a standard deviation of 0.55, indicating that employees are perceived to be provided with the necessary skills for strategy implementation. The statement that the organization has programs which frequently update employees' skills in strategy execution had a mean score of 4.18 and a standard deviation of 0.52, suggesting that there are programs in place to regularly update employees' skills in executing strategies. The statement that the organization has systems that accommodate changes during strategy implementation

received a mean score of 4.07 and a standard deviation of 0.51, indicating that the organization has systems in place to adapt to changes during strategy implementation.

The overall mean score across all statements and aspects is 4.08, which represents the average score across all participants and all statements. These descriptive statistics provide insights into the perception of respondents regarding production and efficiency goals, effectiveness of operations, internal control systems, customer acquisition, customer complaints, customer retention, staff skills for strategy implementation, skills updating programs, and adaptability to changes during strategy implementation.

#### 4.6 Inferential Statistics

This section presents the findings for both correlation and regression analysis.

##### 4.6.1 Correlation Analysis

To ascertain the type and degree of the connection between the studied variables, correlation analysis was conducted. In this research, the correlation between the study variables was determined using the Karl Pearson correlation coefficient. The outcomes are summarized in Table 4.6.

**Table 4.6: Correlation Results**

		Strategy implementation	Organizational culture
Strategy implementation	Pearson Correlation	1	.784**
	Sig. (2-tailed)		.000
	N	40	40
Organizational culture	Pearson Correlation	.784**	1
	Sig. (2-tailed)	.000	
	N	40	40

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Source: Field Data (2023)**



According to Karl Pearson correlation coefficient, the relationship between the organizational culture and strategy implementation is statistically significant and strongly positive ( $r=0.784$ ,  $p<0.05$ ). This implies that organizational culture and strategy implementation are positively related.

#### 4.6.2 Regression Analysis

The study utilized regression analysis in determining if a linear link existed organizational culture practices and strategy implementation. The model summary, ANOVA, and coefficients tables present the analysis' findings. The model summary explains how much variation in the dependent variable is due to the independent variables fitted in the model. The ANOVA table checks if the model fit is statistically significant in predicting the dependent variable and the coefficient table quantifies the magnitude of the association between the variables. The findings of the study are shown in the tables below.

**Table 4.7 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.784 <sup>a</sup>	.615	.605	.385426604799586

a. Predictors: (Constant), Organizational Culture

**Source: Field Data (2023)**

From the model summary, it was realized 0.615 R Square. This infers that 61.5% of the variation in strategy implementation can be attributed to organizational culture.

**Table 4.8 ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.009	1	9.009	60.645	.000 <sup>b</sup>
	Residual	5.645	38	.149		
	Total	14.654	39			

a. Dependent Variable: Strategy implementation  
b. Predictors: (Constant), Organizational Culture

**Source: Field Data (2023)**

It is evident from the Anova table that the degree of significance was 0.000. This this value was less than the p value of 0.05. Consequently, the model was therefore statistically significant for predicting strategy implementation based on organizational culture.

**Table 4.9 Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.256	.302		4.159	.000
	Organizational Culture	.663	.085	.784	7.787	.000

a. Dependent Variable: Strategy implementation

**Source: Field Data (2023)**

From the table 4:14 the following model has been developed;

$$Y = 1.256 + 0.663X$$

Where:

Y = Strategy implementation,

X = Organizational culture

Interpretatively, a unit increase in organizational culture will lead to a 0.663 increase in strategy implementation holding other factors constant.

#### **4.7 Discussion of Findings**

The conclusions of the research depicted incidence of positive and significant link exist between organizational culture and strategy implementation. This is a sign that organizational culture practices lead to improved strategy implementation. This research finding concurs with Ahmadi et al. (2012) who explored the correlation between organizational culture and execution of strategy in the Iranian banking sector. In this study, a sample of 136 respondents within the banking sector was selected and data analyzed using descriptive statistics. From the result findings, there was a significant positive correlation between cultural characteristics and organizational effectiveness. The study findings differ with Mokohi (2010) who claims that the extent in which culture and strategy implementation are linked is exaggerated.

The research conclusions are also in agreement with a study by Amah (2012) who surveyed the Nigerian banking industry's organizational culture and its impact on organizational strategy implementation effectiveness. The study sampled 24 banks in Nigeria and collected data via questionnaires and oral interview. Using the regression model, the study found that all the dimension of organizational culture significantly affected strategy implementation. The study findings also concur with another study done by Bandile (2019) who investigated how the execution of policy in the South African police service was shaped by strategic organizational culture. Results from the correlation analysis documented that organizational culture had a positive association with strategy

implementation while regression results showed a positive correlation between organizational culture and execution of strategy.

Moreover, the conclusions are in backing of research done by Mutai (2015) who explored how implementation of organizational strategy is affected by organizational culture in a case study of Airtel Kenya. The findings of the study indicated that Airtel Kenya has two dominant cultures, that is the Market Culture and the clan culture. Characteristics of Adhocracy and Hierarchy culture were also found. It was hence established that organizational culture within the organization positively influenced strategy implementation at Airtel Kenya. In addition, Akinyi (2015) showed that University of Nairobi's culture was inculcated from employee recruitment to deployment; and that University of Nairobi's strategies were greatly influenced by organizational culture.

The findings of this study support resource based view theory by Barney (1991) which discusses organizational resources such as culture one of the main aspects for an organization to achieve a good competitive advantage over others. Barney emphasize that since organizational culture is not duplicated, it sets the standards higher. The theory proves that organizations that are culturally diverse have a better competitive advantage over organizations that do not. According to the RBV perspective, all companies with identical resources could envision the same strategies, implement them, and increase their productivity and proficiency only to the same magnitude without ultimately gaining competitive advantage or better performance.

Organizational culture theory is also backed by these research conclusions. The culture framework can be used as an eye opener to cultural differences in societies and organizations. It also shows how individuals get into organizations with different cultures

and norms and how this may influence the end results. Hofstede (2010) has demonstrated how we are in a culturally diverse society. Organizations embracing cultural recruitment diversity at work place understand how to influence organizational culture for better strategy implementation. It creates an understanding on how organizational culture can be of importance to strategy implementation.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

The chapter entails summary of findings, conclusions, implications and finally recommendations. This section also includes the limitations and suggestions for future studies.

### **5.2 Summary of Findings**

The main objective of the study was to determine the influence of organizational culture on the performance of CSCs. The research was backed by two theories: namely; resource based view theory and organizational culture theory. A descriptive research design was utilized. The population of the study was the 54 CSCs in Kenya while 40 CSCs provided the required data for analysis. For data analysis, both descriptive and inferential analysis was performed and the findings are presented in this segment.

The descriptive results revealed that the CSCs have strong aspects of clan culture, with high scores for statements related to empowering employees, recognizing their commitment and excellence, and encouraging teamwork. Adhocracy culture is also present, as employees feel supported and encouraged to take risks, innovate, and generate new ideas. Hierarchy culture is characterized by relatively low micromanagement, decentralized decision-making, and employee accountability. However, there may be some room for improvement in terms of employee commitment tracking. Market culture is reflected in the organization's efforts to identify market needs and clarify specific goals, although the use of an external marketing firm for customer satisfaction assessment could be enhanced. Overall, the respondents' perceptions indicate a positive organizational

culture, with the mean score of 4.12 reflecting a generally favorable outlook across all statements.

The descriptive results further revealed that the CSCs demonstrate strong internal processes, with high mean scores for achieving production and efficiency goals, improved effectiveness in operations, and well-organized internal control systems. In terms of customer focus, there is evidence of positive trends, as indicated by the rise in the number of new customers. However, there is still room for improvement regarding customer complaints and customer retention. The organizations' capacity is also highlighted, with a focus on equipping staff with necessary skills for strategy implementation and frequent updates of employees' skills in strategy execution. The systems in place for accommodating changes during strategy implementation are perceived positively. Overall, the mean score of 4.08 reflects a generally favourable perception of the organization's internal processes, customer focus, and capacity.

The correlation results revealed that the relationship between organizational culture and strategy implementation is strong, positive and statistically significant. This implies that organizational culture practices and strategy implementation have a positive relationship. Regression results revealed that 61.5% of the variation in strategy implementation can be attributed to organizational culture. Further, the results revealed that a unit rise in organizational culture practices will lead to a 0.663 rise in strategy implementation holding other factors constant.

### **5.3 Conclusion of the Study**

Based on the results of the study, several conclusions can be drawn. The study found that the presence of clan culture within commercial state corporations in Kenya has a positive

and significant impact on strategy implementation. Clan culture, which emphasizes collaboration, teamwork, and a sense of belonging, fosters an environment conducive to effective strategy implementation. The study also revealed that adhocracy culture has a positive and significant effect on strategy implementation. Adhocracy culture promotes innovation, flexibility, and adaptability, which are crucial elements for successful strategy implementation in dynamic and evolving environments.

The findings indicated that hierarchical culture within commercial state corporations in Kenya positively influences strategy implementation. Hierarchical culture emphasizes clear lines of authority, structure, and formal procedures, which facilitate effective coordination and control required for strategy execution. The study also highlighted that market culture has a positive and significant impact on strategy implementation. Market culture places a strong emphasis on competitiveness, customer orientation, and achieving results, which aligns well with strategic objectives and enhances the implementation process.

The study suggests that organizational culture plays a crucial role in strategy implementation among commercial state corporations in Kenya. Specifically, the presence of clan culture, adhocracy culture, hierarchical culture, and market culture positively influence the effectiveness of strategy implementation efforts. These findings imply that organizations should focus on nurturing and aligning their culture with strategic goals to enhance their chances of successful strategy implementation.

#### **5.4 Recommendations of the Study**

The research recommends that organizations should focus on strengthening their existing culture and ensuring alignment with their strategic objectives. This can be achieved by



promoting a culture that empowers employees, recognizes their contributions, and encourages innovation and teamwork. Efforts should be made to foster an environment where employees feel motivated and supported to take risks and generate new ideas. Additionally, the organization should ensure that its culture aligns with customer needs and market dynamics to effectively implement strategies that drive growth and competitiveness.

To further enhance strategy implementation, it is crucial to prioritize employee engagement and development. This can be achieved by providing opportunities for skill enhancement, training programs, and knowledge sharing platforms that enable employees to acquire the necessary skills for effective strategy execution. Encouraging cross-functional collaboration and creating a supportive work environment where employees are empowered to contribute to the organization's success will foster a culture of engagement and commitment.

It is also important for organizations to establish mechanisms for continuous monitoring and evaluation of strategy implementation. Regularly assessing the progress and outcomes of strategic initiatives will enable timely adjustments and course corrections, ensuring that the organization remains on track towards achieving its goals. Feedback from employees and customers should be actively sought and incorporated into the strategy implementation process. Additionally, leadership should create a culture of accountability where employees hold themselves and each other accountable for meeting strategic objectives.

### **5.5 Limitations of the Study**

Despite the valuable insights gained from the study, it is important to acknowledge its limitations. One limitation is the use of a single research method, namely survey-based

self-report measures, to collect data on both organizational culture and strategy implementation. Self-report measures are subject to respondent bias and may not capture the full complexity and nuances of organizational culture and strategy implementation processes. Future studies could consider incorporating qualitative research methods, such as interviews or observations, to provide a deeper understanding of the underlying dynamics.

Another limitation is the focus on commercial state corporations within a specific context, which may limit the generalizability of the findings. The study's findings may not be applicable to organizations in other sectors or geographical locations. Additionally, the cross-sectional nature of the study limits the ability to establish causality between organizational culture and strategy implementation. Longitudinal studies that track changes in culture and strategy implementation over time would provide stronger evidence for causality. Future research should aim to include a more diverse range of organizations and utilize longitudinal designs to strengthen the generalizability and causal inferences of the findings.

### **5.6 Suggestions for Further Research**

While the present study has provided valuable insights into the relationship between organizational culture and strategy implementation in commercial state corporations, there are several avenues for further research that can expand our understanding in this area. First, future research could explore the specific mechanisms through which different dimensions of organizational culture influence strategy implementation. This could involve examining the mediating factors, such as employee motivation, engagement, and

knowledge sharing, that play a role in translating a positive organizational culture into effective strategy execution outcomes.

Additionally, conducting comparative studies across different industries or organizational contexts could provide a more comprehensive understanding of how organizational culture impacts strategy implementation in diverse settings. Lastly, longitudinal studies tracking the changes in organizational culture and its impact on strategy implementation over time could provide insights into the dynamic nature of this relationship and help identify strategies for sustaining a positive culture to drive long-term strategic success.

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## APPENDICES

### Appendix I: Research Questionnaire

Dear respondent,

This survey has been intended to gather information on the effect of organizational culture on strategy implementation among commercial state corporations in Kenya. It is crucial that you answer these questions accurately and completely. No confidential personal information will be taken or stored, and no identification will be made of users, the research is for the sake of academic study only.

#### Instructions

1. Check the relevant option or fill in the blanks in the area given.
2. Feel free to add any more pertinent information to the study.

#### PART A: ORGANIZATION CHARACTERISTICS

1. Which year was this commercial state corporation registered? .....
2. How many employees do you have in your firm?
  - a) Less than 50 employees
  - b) 51 – 100 employees
  - c) 101–150 employees
  - d) 151 – 200 employees
  - e) Above 200 employees

#### PART B: ORGANIZATIONAL CULTURE

3. To what degree do you agree with the statements below relating to the effect of organizational culture on strategy implementation in your organization? (5-Strongly Disagree, 4-Disagree, 3-Neutral, 2-Agree, 1-Strongly Agree)

<b>Statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Clan culture</b>					
Employees are empowered to contribute towards the success of the organization					
The organization recognizes employee commitment and excellence at work					
Our organization encourages teamwork rather than individual contributions.					
<b>Adhocracy culture</b>					
Employees are supported and encouraged to take informed risks					
Employees are supported and encouraged to innovate and generate new ideas					
The organization's system makes it easy for employees and customers, to complain and to give suggestions.					
<b>Hierarchy culture</b>					
There is less micro management in our organization since employees are motivated to work					
Decision making is decentralized to lower levels of management to enhance efficiency in service delivery					

Employees keep track of their commitment and hold each other accountable					
<b>Market culture</b>					
Our organization makes a great deal of effort to identify market needs.					
The organization clarifies specific goals that are to be accomplished and develops specific measures to determine its success					
The organization employs an external marketing firm to assess levels customer satisfaction					

### **PART 3: STRATEGY IMPLEMENTATION**

4. To what degree do you agree with the statements below in regards to strategy implementation in your organization? (5-Strongly Disagree, 4-Disagree, 3-Neutral, 2-Agree, 1-Strongly Agree)

Statements	1	2	3	4	5
<b>Internal processes</b>					
Production and efficiency goals are achieved both in quantity and quality					
There has been improved effectiveness in the organization's operations					

My organization has set well organized internal control systems					
<b>Customer focus</b>					
Over time, there has been a rise in the number of new customers.					
There is reduced customer complaints in the firm					
There is increased customer retention in the firm					
<b>Organization capacity</b>					
The organization equips staff with necessary skills for strategy implementation					
The organization has programs which frequently updates employees skills in strategy execution					
Our organization has systems that accommodate changes during strategy implementation					

**THANK YOU VERY MUCH**

## **Appendix II: Commercial State Corporations in Kenya**

1. Agro-Chemical and Food company
2. Chemilil Sugar Company Ltd
3. Consolidated Bank of Kenya
4. Development Bank of Kenya Ltd
5. East Africa Portland Cement ltd
6. Fisheries Development and Promotion Service
7. Geothermal Development Company (GDC)
8. Golf Hotel Kakamega East African
9. Jomo Kenyatta Foundation
10. Jomo Kenyatta University Enterprises Ltd
11. Kabarnet Hotel Limited East African
12. Kenya Airports Authority (KAA)
13. Kenya Animal Genetics Resource
14. Kenya Broadcasting Corporation
15. Kenya Development Bank
16. Kenya Electricity Generating Company
17. Kenya Electricity Transmission Company
18. Kenya Industrial Estates
19. Kenya Literature Bureau (KLB)
20. Kenya Meat Commission
21. Kenya National Assurance Co. (2001) Ltd
22. Kenya National Shipping Line
23. Kenya National Trading Trading (KNTC)

24. Kenya Pipeline Company (KPC)
25. Kenya Ports Authority (KPA)
26. Kenya Post Office Savings Bank
27. Kenya Power and Lighting Company (KPLC)
28. Kenya Railways Corporation (KRC)
29. Kenya Reinsurance Corporation Ltd
30. Kenya Safari Lodges and Hotels Ltd East African
31. Kenya Seed Company (KSC)
32. Kenya Veterinary Vaccine Production Institute
33. Kenya Wildlife Conservation Service
34. Kenyatta International Convention Centre
35. Mt Elgon Lodge East African
36. Muhoroni Sugar Company Ltd
37. National Cereals & Produce Board(NCPB)
38. National Housing Corporation
39. National Oil Corporation of Kenya
40. National Water Conservation and Pipeline Corporation
41. New Kenya Co-operative Creameries
42. Numerical Machining Complex
43. Nyayo Tea Zones development Corporation
44. Nzoia Sugar Company Ltd
45. Postal Corporation of Kenya
46. Rivatex (East Africa) Ltd

47. School Equipment Production Unit
48. Simlaw Seeds
49. Sony Sugar Company Ltd
50. South Nyanza Sugar Company Limited
51. Sunset Hotel Kisumu East African
52. Tourism Finance Corporation
53. University of Nairobi Enterprises Ltd
54. University of Nairobi Press (UONP)

**Source: KNBS (2023)**