



CRITICAL REVIEW OF LITERATURE ON THE INFLUENCE OF ORGANIZATIONAL CULTURE ON STRATEGY IMPLEMENTATION IN KENYA

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ABSTRACT

The study attempted to examine the influence of organizational culture on strategy implementation in both government and non- governmental organizations and its evaluation has been identified by certain researcher's research. The main aim of research article was to identify and determine strong relationship between organizational culture and strategy implementation. Literature review was adopted as methodology to review the culture of an organization upon strategy implementation. Organization generally tends to have a large impact on establishing a culture that will contribute to the organizational strategy implementation. Hence Organizational culture plays a vital role in enhancing strategy implementation. Organizational culture must be binding on all members of the organization as this will encourage uniformity among members of the organization and enhance commitment, group efficiency and overall implementation of the strategy.

Keywords: *Organizational Culture, Strategy Implementation*

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INTRODUCTION

Culture in Organization refers to the values and behavior practiced in a given organization which contribute to a unique social and psychological environment of any given organization. Alvesson, 2013 asserts that, Culture in Organizations is very critical in an organization as the predefined policies guide the workers and give them a sense of direction in the workplace. It comprises the philosophy, experiences, expectations, values that hold the organizations together. Culture in Organization's can be one of the strongest assets or even the biggest liability that an organization may have. An organization will have a competitive advantage (Hakim, 2015), if it impresses culture required.

A healthy culture in Organizations always motivate the employees and make them loyal towards the management since it does promote healthy competition within the workplace. According to Alvesson, 2013, employees will try their best to perform better than their fellow workers so as to earn recognition and be appreciated by their supervisors. This is a culture that always motivates the employees and will improve their performance.

Culture in the organization can be viewed from the point of external environment, internal environment as well as other mechanisms such as the impact of leaders in the organization. All the three directly influence culture which also has impact on whether strategy implementation can be achieved or not in the organization. Koke (2013) in his study suggested that organizations that have effective culture, involves all employees from top to bottom management in decision making. This is because junior employees are believed to be the one handling technical decisions and roles which has major impact on organizational performance hence the need to involve them in order to achieve strategic implementation. Effective organizational culture supports integration in the company which creates a

good communication channel which supports feedback in the company.

Ansoff (2009) explained that decision making is a very complex process which can determine the success or failure of the implementation of any strategy in the firm. Each and every component should be given high attention since all of them matters, employees and resources as well as the system which can shows the extent of culture in the organization. Employee participation should be encouraged across the board. This creates room for thinkers and doers to give their opinion leading to high performance.

According to Harris (2009), culture creates flexibility and strong co-integration which helps in improving firm performance through strategy implementation by directing organizational resources to organizational objectives, missions and vision. Setting organizational goals and plans prior to strategy implementation creates a friendly organizational culture which brings employees together enhances growth in all dimensions of the firm (Otiso, 2013). Policies enacted in the firm therefore must work hand in hand and promote organizational culture with a clear vision of enhancing effective strategy implementation to achieve organizational performance

LITERATURE REVIEW

Serpa (2016) asserts organizational culture as "a shared way of being, thinking and acting in a collective and coordinated people with reciprocal expectations" (p. 51). Organizational culture is "the set of shared values, beliefs and norms that influence the way employees think feel and behave in the workplace" (Agwu, 2014, p. 1) Collins and Porras (2000) opine that organizational culture refers to a system of shared meaning held by members that distinguish one organization from other organizations. Organizational culture is as "an informal, shared way of looking at an organization and membership in the organization that binds

members together and influences what they think about themselves and their work” (O’Donnell & Boyle, 2008, p.19).

Schein (2009) defines organization culture as collective behaviour of people in an organization, while Gathai, Ngugi, Waithaka and Kamingi (2012) look at organizational culture in terms of the “leadership styles and the dominant values and beliefs, both conscious and unconscious, dress codes, job titles, among others in an organization” (as cited in Onyango, 2014, p. 205). Maseko (2017) viewed organizational culture as “a company’s orientation towards its internal stakeholders, which forms the basic rules that guide employees” behaviours, developed and shared within an organization” (p. 3). Schein (2004) argued that “perhaps the most interesting part of culture as a concept is that it points us to phenomena that below the surface are powerful in their impact but invisible, and to a considerable degree, unconscious to people” (p. 8) “Organizational culture is made up of more „superficial“ aspects such as patterns of behaviour and observable symbols and ceremonies, and more deep seated and underlying values, assumptions and beliefs” (O’Donnell & Boyle, 2008, p. 6).

Although there is no agreement in the literature concerning organizational culture, one authority argued that “there is only one consensus and that is the fact that organizational culture has both tangible and non-tangible aspects” (Sokro, 2012, p. 4).

According to Lorette (2018), strategy implementation is a process by which strategies and policies are put into action through development of programs, budgets, and procedures. The process is sometimes referred to as operational planning and often involves day-to-day decisions in resource allocation. Thompson et al., (2018) concur with this view that strategy implementation is an operations-oriented; make-things-happen activity aimed at performing core business activities in a strategy supportive

manner. Daft (2016), states that strategy gives a company a competitive edge only if it is skillfully executed through the decisions and actions of front-line managers and employees.

Empirical Review

Several studies have been done regarding the influence of organizational culture on strategy implementation.

Cheruiyot, Kihara and Senaji (2018) sought to determine the factors influencing strategic plan implementation in nongovernmental organizations in Kenya. Specifically, the study focused on the extent to which organizational leadership and organizational culture affect strategic plan implementation in non-governmental organizations in Kenya. This study adopted descriptive research design and targeted nongovernmental organizations in Kenya. To attain a sample size that had a sufficient size qualified to the goals of the study, the researcher adopted Yamane’s formula to attain sample size of 52 NGOs of the target population of 702 NGOs. The main data collection instrument that was used in this study was questionnaire. Both quantitative and qualitative approaches were used for data analysis whereby Statistical Package for Social Sciences (SPSS version 21.0) was used to run descriptive statistics such as frequency and percentages. The organizational culture influences strategic plan implementation by non-governmental organizations.

Koehn and Were (2016) investigated factors influencing strategy implementation at the National Treasury-Kenya. Its specific objectives were to establish the influence of organizational culture and the organizational structure on strategy implementation at the National Treasury. The study was carried out at the National Treasury head office, Nairobi targeting a population of 639 staff comprising of policy makers, senior management and technical cadre. Stratified proportionate random sampling technique was used to select the sample while simple

random sampling was used to select 63 respondents. A descriptive survey using semi-structured questionnaires was used to collect primary data. Data was analyzed using descriptive statistics and also inferential analysis. The study established that organizational culture, as reflected through shared beliefs and values, is aligned with strategies. The study concluded that organizational culture and organizational structure have a direct influence on strategy implementation.

Ngigi and Namusonge (2019) focused on organizational culture and strategy implementation at the Kenya Civil Aviation Authority. The study used a descriptive survey research design to establish the effect of organizational culture on strategy implementation at Kenya Civil Aviation Authority. The target population for this study included all the senior level managers, middle level managers and lower/operational level professional staff in the KCAA who are 796 in number. A sample size of 80 respondents was selected by simple random technique. This represented 10% of the target population. The results revealed that leadership has a significant role in strategy implementation at the KCAA while communication, reward and recognition, and team orientation were not very significant for strategy implementation at KCAA.

Mohamed and Olweny (2019) in their study to investigate the influence of organization culture on strategy implementation among firms operating in the Petroleum industry in Kenya. This research problem was studied through the use of a descriptive research design. The target population for the study was 10 oil companies. Analysis of data was done using the statistical package for the social sciences (SPSS). The findings indicated that the oil companies' chain of command was flexible. As well, there was a strong feeling of togetherness to other businesses and a job structure. Results showed that the leadership in place in the oil companies had led to the realization of objectives, motivated employees and

led to the implementation of strategy. Though this study had fulfilled its aim and objectives, there were a number of areas for additional studies and empirical research.

Tele and Gachunga (2019) sought to determine the determinants of strategic plan implementation at the Geothermal Development Company in Kenya. A descriptive survey research design was adopted. The 250 staff working with the GDC constituted the study population. A sample of 72 respondents was drawn from the study population using stratified random sampling technique. A set of structured questionnaires were used to collect data. Data analysis was facilitated by the Statistical Package for Social Sciences tool. Both descriptive and inferential statistics were used in the analysis. The study revealed that organizational culture was significantly correlated with strategic plan implementation ($p < 0.05$).

Akuei, Katuse and Njenga (2016) examined the effect of various dimensions of organization culture namely; dominant characteristics, organizational leaders, management of employees, organizational glue, strategic emphases and criteria of success on effective strategy implementation in South Sudan commercial banks. To achieve these objectives the study uses both descriptive and explanatory research designs. The study targets top and middle managers of 29 commercial banks in South Sudan. To select the sample, the study used Yamane (2001) to calculate a sample of 168 top and middle managers of commercial banks. Further, the study uses purposive sampling technique. Primary data was collected using questionnaires and data was analyzed using factor analysis and multiple linear regression models in statistical package for social scientist (SPSS). The study found that dominant characteristics have no significant influence on effective strategy implementation. Organizational Leadership was found to positively influence effective strategy implementation. Management of employees and

organizational glue had no effect on effective strategy implementation. Moreover, strategic emphases had no significant relationship with effective strategy implementation.

Kagumu and Njuguna (2016) investigated the influence of resources, leadership, church culture, and church structure on the implementation of strategic plans. Both primary and secondary data were used for this study. To obtain the primary data semi-structured questionnaires were distributed to 73 respondents out of a population of 367. These were drawn using stratified random sampling from the senior clergy, departmental heads, Vicars, and vice-chairpersons of local church councils. A simple random sampling procedure was used to identify the respondents. The secondary data included the already documented materials such as the strategic plans and annual reports of the diocese and various departments among other published materials. The qualitative data collected was analyzed through content analysis while the quantitative data was analyzed using SPSS in order to establish the relationship between the variables. The analyzed information was presented in form of reports, frequency tables, graphs, and percentages. The leadership, resources, organizational structure, and organizational culture relate well with the strategies implementation.

Wanjiru (2015) applied a case study of Nakumatt Holdings Limited to determine the impact of organizational culture on the implementation of strategy. This research study applied a case study of Nakumatt Holdings Limited. This study used both primary and secondary data sources to collect data. Data collected in this study was analysed through content analysis. Data was collected through the use of an interview guide. The interviewee was the Regional Director, Strategy and Operations at Nakumatt Holdings Limited. The researcher was able to identify the dominant cultures at Nakumatt Holdings Limited as innovative culture and clan

culture. These two cultures have been very instrumental in providing a healthy work environment that drives commitment and loyalty to the implementation of strategy. Strategy implementation also takes a participatory approach in the organization. This gave employees freedom to act and provided necessary feedback on the progress towards reaching set targets. The study also revealed that implementation of strategy will only do well in a culture that is supportive, flexible and one that values the welfare of organizational members.

Isaboke (2015) sought to establish the influence of organization culture on strategy implementation. The study used a descriptive survey design to target 103 employees that were sampled by the researcher. The study respondents were identified using the proportionate stratified sampling method. Questionnaires were administered to obtain primary data. The results indicated that organization culture had an influence on strategy implementation in institutions of higher learning and can be concluded that dominant characteristics and behavior norms have a strong influence on strategy implementation.

Kinyua, Njoroge, Wanyoike and Kiiru (2015) investigated the influence of organization structure and culture on implementation of strategies in Constituency Development Fund Board in Kenya. The study adopted descriptive correlational survey design. The target population for this study comprised the employees of the CDF Board. However, a sample was drawn from the population which comprised of the fund managers of the 132 constituencies selected through stratified random sampling together with the 6 heads of departments and 8 regional coordinators formed the sample size of 146 employees from the study population. Information for this study was collected using both primary sources of data that was collected using questionnaires. The questionnaires were mailed to the target respondents and follow-up calls were made later. Quantitative data was analyzed using descriptive and correlation inferential statistics.

The findings of the study established that organization culture have positive influence on strategy implementation.

Critique of Existing Literature Relevant to the Study

A number of studies have been carried out to assess the influence of organizational culture on strategy implementation in different parts of the world. However, they manifest a number of weaknesses, as discussed below:

Cheruiyot, Kihara and Senaji (2018) in their study to determine the factors influencing strategic plan implementation in non-governmental organizations in Kenya. The findings of the study revealed that organizational culture influences strategic plan implementation by non-governmental organizations. However, the study did not reveal how triangulation of data from various data sources was achieved. Further, the study did not reveal which respondents were targeted from 52 NGOs.

In the studies contacted by Koech and Were (2016) on the factors influencing strategy implementation at the National Treasury-Kenya. The study concluded that organizational culture and organizational structure have a direct influence on strategy implementation. Despite, the study did not used scientific method to determine sample size but rather just used 10% which did not receive any scholarly backing. Further, one tool was used to collect data from various respondents which have different understand of organization culture.

Ngigi and Namusonge (2019) on the study that focused on organizational culture and strategy implementation at the Kenya Civil Aviation Authority, the results revealed that leadership has a significant role in strategy implementation at the KCAA while communication, reward and recognition, and team orientation were not very significant for strategy implementation at KCAA. The study had inadequacies in the conceptualization of organizational culture as

compared to the study which has conceptualized organizational culture in terms of values and beliefs.

Mohamed and Olweny (2019) in their study to investigate the influence of organization culture on strategy implementation among firms operating in the Petroleum industry in Kenya. The findings indicated that the oil companies' chain of command was flexible. As well, there was a strong feeling of togetherness to other businesses and a job structure. Results showed that the leadership in place in the oil companies had led to the realization of objectives, motivated employees and led to the implementation of strategy. The study did not indicate the sample size and how sampling was achieved. The study did not utilize inferential statistics to indicate influence of organization culture on strategy implementation.

Tele and Gachunga (2019) sought to determine the determinants of strategic plan implementation at the Geothermal Development Company in Kenya. The study revealed that organizational culture was significantly correlated with strategic plan implementation ($p < 0.05$). One of the study weaknesses was that, it did not conceptualize how organizational culture was used in the study. Similarly, implementation was not measured in quantified constructs.

Akuei, Katuse and Njenga (2016) examined the effect of various dimensions of organization culture namely; dominant characteristics, organizational leaders, management of employees, organizational glue, strategic emphases and criteria of success on effective strategy implementation in South Sudan commercial banks. The study found that dominant characteristics have no significant influence on effective strategy implementation. Organizational Leadership was found to positively influence effective strategy implementation. Management of employees and organizational glue had no effect on effective strategy implementation. The study failed to indicate

how organization culture constructs were measured for the utilization of inferential statistics.

Kagumu and Njuguna (2016) investigated the influence of resources, leadership, church culture, and church structure on the implementation of strategic plans. From the studies it was revealed that, leadership, resources, organizational structure, and organizational culture relate well with the strategy's implementation. The study failed to indicate which data was collected from secondary data sources. Secondly, the study used questionnaire and interview, yet it did not indicate which strata were applied for a specific data collection source.

In a study done by Wanjiru (2015) to determine the impact of organizational culture on the implementation of strategy applied a case study of Nakumatt Holdings Limited. The study revealed that implementation of strategy will only do well in a culture that is supportive, flexible and one that values the welfare of organizational members. The study was purely qualitative and therefore, it is expected to follow qualitative research design such as phenomenology grounded theory ethnography therefore, it is difficult to make inferences.

Isaboke (2015) studies to establish the influence of organization culture on strategy implementation in institutions of higher learning. The results of the study indicated that organization culture had an influence on strategy implementation in institutions of higher learning and can be concluded that dominant characteristics and behavior norms have a strong influence on strategy implementation. Even though the study achieved its objective, literature review was devoid of empirical studies and theories that guided the study objectives and therefore, there is need for further studies.

The studies of Kinyua, Njoroge, Wanyoike and Kiiru (2015) which investigated the influence of organization structure and culture on implementation of strategies in Constituency Development Fund

Board in Kenya. The findings of the study established that organization culture have positive influence on strategy implementation. The study did not indicate which strategy are been implemented by the Constituency Development Fund Board in Kenya and therefore, it is very difficult to examine the relationship between organization culture and implementation of strategies.

METHODOLOGY

This was a desktop review and the researcher reviewed literature to find out the influence of Organizational Culture on Strategy Implementation while identifying gaps in research.

Knowledge Gap

The content analysis regarding the papers in the literature review provides detailed overview of main issues covered by the research on influence of organization culture on strategy implementation and has enabled the identification of principal research gap on the topic. From the literature review its apparent that several scholars have established that is positive and significance influence of organization culture on strategy implementation (Cheruiyot, Kihara & Senaji, 2018; Koech & Were ,2016; Tele & Gachunga, 2019). In contrast, (Ngigi & Namusonge, 2019; Mohamed & Olweny, 2019; Akuei, Katuse & Njenga, 2016; Kagumu & Njuguna, 2016; Isaboke, 2015; Kinyua, Njoroge, Wanyoike & Kiiru, 2015) indicates that some studies contended that it is very difficult to examine the relationship between organization culture and implementation of strategies, there was devoid of empirical studies and theories, how organization culture constructs were measured for the utilization of inferential statistics and conceptualization of organizational culture as compared to the study which has conceptualized organizational culture in terms of values and beliefs. Hence there are inconsistencies in the literature in relation to the conceptual connections between the two variables.

Research Gaps

Studies relating the influence of organization culture on strategy implementation have yielded contradictory and inconclusive results. Some studies have documented positive relationships while others have reported either negative or no relationship. The

possible explanation for the conflicts and contradictions could be that intervention and moderation effects are excluded from the studies, the differences in the attributes of the predictor dependent variable used, as well as methodological differences.

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