

**INFLUENCE OF CORPORATE CULTURE ON STRATEGY  
IMPLEMENTATION IN TIER ONE COMMERCIAL BANKS IN KENYA**

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**AN APPLIED RESEARCH PROJECT SUBMITTED IN PARTIAL  
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**DECLARATION**

I declare that this document and the research that they describe are my original work and that they have not been presented in any other university for academic work.

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**31<sup>st</sup> May 2023**

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This research was conducted under our supervision and is submitted with our approval as university supervisors.

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**DEDICATION**

This research project is dedicated to my cherished parents, spouse, and children who hold an everlasting place in my heart. Though my parents have departed this world, their memories continue to guide my path.

## ACKNOWLEDGEMENTS

I would like to express my heartfelt gratitude to everyone who has supported and contributed to the completion of this Masters project.

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## ABSTRACT

This study examined the impact of corporate culture on the effective implementation of business strategy in tier one commercial banks in Kenya. The specific objectives were to assess the influence of adhocracy, clan, market, and hierarchical cultures on strategy implementation. A descriptive survey was conducted, involving six tier one commercial banks as the analytical unit and the management team as the observation unit. The target population consisted of 240 individuals. Stratified sampling was used, and data was collected through questionnaires. Descriptive and inferential statistics were employed for data analysis. The findings were presented using tables and figures. The study revealed that adhocracy culture was prevalent in most tier one banks, as evidenced by adaptable working environments and employee involvement in task management. Clan culture fostered cohesiveness and a sense of belonging among members. Market culture was associated with profitability and organizational focus on key objectives. Hierarchical cultures influenced strategy implementation. Based on the results, the study concluded that adhocracy culture enables leaders to make instinctive decisions as was supported by 80% of the respondents, while clan culture promotes unity and support among employees agreed upon by 75% of respondents. Market culture contributes to organizational success, and hierarchical culture influences implementation approaches. The study recommended that tier one commercial banks in Kenya nurture adhocracy culture to enhance strategy implementation. Creating a clan culture could be achieved through brainstorming sessions, soliciting employee input, active listening by managers, and acting on feedback. Hierarchical culture could be reinforced by emphasizing job titles and roles, enforcing rules and order, promoting top-down communication, emphasizing individual achievements, and maintaining a rigid structure.

**ABBREVIATIONS AND ACRONYMS**

<b>AfCFTA:</b>	African Continental Free Trade Area
<b>ANOVA:</b>	Analysis of Variance
<b>APSEA:</b>	Association of Professional Bodies in East Africa
<b>CBK:</b>	Central Bank of Kenya
<b>EAC:</b>	East African Community
<b>GDP:</b>	Gross Domestic Product
<b>ICT:</b>	Information Communication Technology
<b>IRFC:</b>	Individual Readiness for Change
<b>NACOST:</b>	National Commission for Science, Technology and Innovation
<b>SDGs:</b>	Sustainable Development Goals
<b>SPSS:</b>	Statistical package of social Science
<b>TQM:</b>	Total Quality Management

## OPERATIONAL DEFINITION OF TERMS

- Adhocracy culture:** Adhocracy culture describes a type of organization culture where decision-making is distributed throughout the organization, rather than being centralized in a few individuals or groups.
- Clan culture:** Clan culture refers to a type of corporate culture that fosters a collaborative, family-like environment by valuing commitment, participation, and allegiance. Its horizontal structure has teams of close-knit employees who strongly identify with the organization's vision and mission and unite over a shared cause.
- Corporate culture:** Corporate culture, also known as company culture, refers to a set of beliefs and behaviors that guide how a company's management and employees interact and handle external business transactions.
- Hierarchical culture:** Hierarchy culture is a type of corporate culture where decisions are made from the top down and there is a strict structure in place. It is based on an organizational chart that emphasizes certain positions over others, with clear lines of authority, communication and accountability.
- Market culture:** A market culture is a type of corporate culture that emphasizes competitiveness not only between the organization and its market competitors but also between employees.
- Strategy Implementation:** The translation of selected strategy into organizational action geared towards the achievement of strategic corporate goals and objectives.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Introduction**

This chapter of the study provides a historical view on the examination on the impact of corporate culture on the accomplishment of strategic objectives. This chapter includes a summary of the topic, the study's aims and objectives, its research questions, its significance, and its extensive scope.

#### **1.2 Background of the Study**

The world we live in is marked by a constant state of flux. According to Jain and Trehan (2019), strategy offers or must be able to provide managers with the big vision they need in order for a company's management to succeed despite challenging circumstances, The strategic decisions that are made by top executives are among the most important factors in determining whether or not a business will be successful. According to Gupta (2017), the strategy of a firm seeks to leverage on the company's strengths while at the same time reducing the company's flaws in comparison to its competitors. According to Akinyi (2017), there are four pillars upon which the success of any strategy rests in order for it to be successful: greater productivity, lower expenditures, higher profits, and enhanced quality. If you want to be successful in the modern, global economy, you absolutely need to have this incredible phenomenon working in your favor.

According to Gupta (2017), the implementation of plans, especially strategic ones, may be made more difficult in the financial services sector by variables such as competition, changes in the external environment, and uncertainty inside the organization itself. As a result of the expansion in the range and variety of financial services, effective strategy execution has taken on an increasingly vital role. According to Jain and Trehan (2019), the only way for a business to flourish and grow in this environment is if it is able to quickly and consistently adapt to the shifting conditions around it. As a direct consequence of this, businesses devise strategies to set themselves apart from their rivals in the market. According to Tharp (2018), the culture of an organization, which can be described as the manner in which an organization interacts with both its internal and external surroundings during the

process of strategy execution, will have an impact on whether or not this strategy is successful.

The next stage for organizations is to establish an internal culture that supports and promotes the efficient implementation of strategies. According to Senior and Fleming (2017), the culture of a firm has the potential to have a significant impact on the success of even the most meticulously designed business strategy. According to Andrew (2017), good strategy implementation shows that having a strong business culture is more favourable to successfully implementing a strategy than having a culture that is poor. This is due to the fact that teams that operate in settings with strong cultures have a set of guiding principles that encourages collaboration and loyalty among its members. As a consequence of this, a corporation has the opportunity to put its ideas into reality in the most efficient manner that is feasible. Barney (2019) asserts that if an organization's culture is not sufficiently investigated, it may see a drop in the quantity of suggestions and support from important stakeholders. He continues by cautioning that people who are not on board with the planning stage might try to disruption it or merely avoid undertaking the necessary work, both of which might have a detrimental influence on the process of implementing the strategic plan.

According to Ayiecha and Senaji (2019), it is essential for the success of an organization that its plans be put into action in an efficient manner. When it comes to successfully carrying out a firm strategy, input from a corporate culture that is supportive is very necessary. According to Brownbridge and Harvey (2018), for a business to successfully compete in the highly competitive international marketplace as it is currently, a company's culture and strategic goals must be congruent. This takes occur because of insufficient consideration being given to either the internal or external environmental factors that have an effect on the organization (Barney, 2019). Globally, organizations are adopting the funnel approach to strategy implementation, which involves cascading broad corporate strategies to more specific levels. Key trends in global strategy implementation may include agile implementation where organizations embrace agile methodologies to quickly adapt to changing business environments. This iterative approach allows for flexibility and continuous improvement. Digital transformation where the widespread adoption of digital technologies drives organizations to integrate digital strategies. This includes

leveraging data analytics, artificial intelligence, automation, and other tools to enhance operational efficiency and customer experiences. Organizations recognize the importance of cross-functional collaboration and stakeholder engagement. Breaking down silos and fostering a culture of collaboration align efforts towards common strategic objectives.

Regionally, strategy implementation trends may vary based on specific economic, cultural, and political factors. However, some common trends include regional integration where in many regions, there is a push towards greater regional integration and cooperation. This involves developing strategies that align with regional objectives and leveraging regional partnerships and alliances to achieve shared goals. Localization of Strategies where Organizations are tailoring their strategies to suit specific regional market conditions, consumer preferences, and regulatory frameworks. This localized approach allows for better adaptation to regional nuances and enhances the chances of success.

In the African context, strategy implementation trends are influenced by unique challenges and opportunities. Inclusive growth strategies where organizations in Africa are increasingly adopting strategies that promote inclusive growth, focusing on addressing social and economic disparities. This involves initiatives such as creating employment opportunities, empowering local communities, and fostering sustainable development. Embracing Innovation where African organizations are embracing innovation and technology as key drivers of growth. This includes leveraging mobile technology, digital platforms, and innovative business models to overcome infrastructure challenges and reach untapped markets.

East Africa, comprising countries such as Kenya, Tanzania, Uganda, Rwanda, and Ethiopia, has its own specific trends in strategy implementation, including infrastructure development where East African countries are investing heavily in infrastructure development to support economic growth. Strategies are being implemented to enhance transportation networks, energy infrastructure, and digital connectivity to unlock economic potential. Regional Trade Integration in East African countries are actively promoting regional trade integration through initiatives such as the East African Community (EAC) and the African Continental Free Trade Area (AfCFTA). Strategies are being implemented to harmonize regulations, improve cross-border trade facilitation, and enhance regional economic cooperation.

In Kenya, a dynamic and rapidly growing economy, strategy implementation trends are shaped by various factors. Some key trends include digital transformation where Kenyan organizations are leveraging digital technologies to drive innovation, improve efficiency, and enhance service delivery. Strategies are being implemented to embrace e-commerce, mobile banking, digital payments, and other digital solutions to cater to the evolving needs of customers. There is a growing focus on aligning strategies with the United Nations Sustainable Development Goals (SDGs). Organizations in Kenya are implementing strategies that contribute to addressing social, economic, and environmental challenges, aiming for sustainable and inclusive growth. Collaboration between the public and private sectors is gaining prominence in strategy implementation in Kenya. Partnerships are being formed to leverage the strengths and resources of both sectors, particularly in infrastructure development, healthcare, and education. It's important to note that these trends are dynamic and subject and may vary based on specific contexts and circumstances.

### **1.2.1 Strategy Implementation**

According to Robinson (2017), strategy implementation consists of a series of choices and activities that lead to the formation and execution of long-term plans meant to meet corporate goals. In a further definition, Pride and Farell (2018) indicate that it is the technique that turns strategy and objectives into actions with the goal accomplish targets. According to Bryson (2019), this requires developing a series of synergies between the organization's strategy and structure, its capabilities and competences, its organizational culture, its budgets, and its policies and procedures.

According to Raps (2019), in order to properly execute a strategy, the whole organization as well as all of its resources needs to be mobilized in favor of it. According to Godiwalla (2017), a successful implementation depends heavily on the human aspect, which requires participation from both managers and workers of the firm. This helps to create an atmosphere that is conducive to communication and cooperation. It is not required to preface every strategy-driven change with a large transformative exercise in business culture, according to MacMillan (2019), since each type of change in an organization, from shifting staff offices to introducing new systems, is disruptive to some degree. This is because change, in general, is disruptive.

According to Santos (2020), reducing the disruptive nature of change by aligning the strategy implementation process of a firm with its corporate culture not only develops support for the changes that are being implemented (Roll, 2019), but it also minimizes the disruptive nature of change. One must have an understanding of the pre-existing corporate culture and make strategic use of it in order to build teamwork and acquire organizational support from higher-ups in the business. According to Ahmad (2019), successful execution of a strategy needs teamwork, the development of an organizational culture, and the creation of strong fits between the strategy and the way in which the company carries out its day-to-day operations.

According to Zaribaf (2019), the majority of big firms had difficulties in the execution of their strategies. The research suggests that, in contrast to strategy creation, Executives cannot implement a strategy unilaterally; rather, it requires participation from all those working within the company as well as, frequently, parties outside of the company. According to Zaribaf and Bayrami (2017), the process of establishing a strategy is often a top-down endeavour. However, the process of putting that plan into action needs simultaneous top-down, bottom-up, and across efforts. According to Roll (2014), this is one reason why the culture of a company plays such a significant influence.

### **1.2.2 Corporate Culture**

According to Graham (2022) and others, corporate culture may be defined as the set of common norms, attitudes, values, beliefs, expectations, conventions, and assumptions that have developed through time. The term "norm" refers to an established and authoritative standard that governs behaviours that are proper or inappropriate for a group. Norms often exist in relation to concerns like as quality, performance, flexibility, production levels, and the settlement of conflicts. Culture has the potential to function as a social control system, which has a tremendous influence on the actions of both people and communities. Management methods, organizational structures, and the individuals that work inside them all have a role in the development and upkeep of cultures (Li, 2021).

The majority of established company cultures did not start out that way. They instead develop throughout the course of time from a range of different sources. These may include the views of the company's founders, the assumptions made by management



regarding work ethics and important precedents, such as how management reacts to suggestions made by subordinates (Sherwood, 2018). Norms are socially created standards that are part of corporate culture. They are important because people respond in particular ways as a consequence of assumptions of how others might act in similar situations. They aid employees in interpreting and evaluating occurrences. (O'Reilly, 2019). Norms are crucial because they shape how people act in response to assumptions of how individuals would act in comparable situations.

According to Jacobsen (2018), a corporation will, throughout the course of its existence, establish a culture that is comprised of a shared set of norms, beliefs, values, expectations, rituals, and assumptions. The formation of norms, which are based on authoritative standards, may arise in relation to a variety of issues, including quality, performance, flexibility, production levels, and the settlement of disputes. According to Armstrong (2019), culture has the capacity to play the role of a social control mechanism, considerably impacting the manner in which individuals and groups carry out their daily activities. Contributing to and maintaining a firm's culture include personnel, as well as the management practices, organizational structures, and other aspects that make up a corporation. According to Akinyi (2017), one distinguishing feature of corporate culture is the manner in which it incorporates aspects of adhocracy, clan, market, and hierarchical cultures.

### **1.2.2.1 Adhocracy Culture**

Adhocracy represents a forward-thinking company culture that places a strong emphasis on innovation, growth, adaptability, and efficiency. It is a culture that encourages individuals to think creatively, embrace change, and challenge traditional norms. According to Andrew (2017), fostering flexibility and uniqueness within individuals is of utmost importance, particularly in environments characterized by uncertainty and negativity. Adhocracy culture provides the necessary space and support for individuals to explore new ideas, take calculated risks, and drive innovation. It encourages employees to think outside the box, experiment with novel goods and services, and pursue opportunities for growth and improvement.

Skerlavaj (2017) further expands on the concept, highlighting that adhocracy culture goes beyond internal flexibility and also emphasizes the need to respond effectively to the external environment. This involves staying attuned to market trends, proactively

seeking new opportunities, and continuously adapting strategies and operations to remain competitive. Moreover, Ayiecha and Senaji (2014) emphasize that organizations with a developmental culture foster a dynamic, imaginative, and inventive work environment. They encourage employees to challenge the status quo, embrace change, and generate innovative solutions to complex problems. This culture nurtures an atmosphere of creativity, where individuals are empowered to think critically, collaborate, and bring their unique perspectives to the table.

In summary, adhocracy culture promotes a forward-looking mindset that values innovation, growth, adaptability, and creativity. It enables organizations to thrive in dynamic and uncertain environments by encouraging flexibility, uniqueness, and continuous improvement.

#### **1.2.2.2 Clan Culture**

Clan culture, as described by Kilmann (2017), is a cultural category that places a significant emphasis on both the individual and the group as core values. When assessing the importance of clan culture, factors such as employee commitment, team morale, and cohesion are given considerable consideration. The term "clan" derives its name from the family unit, which serves as its foundation. Mutai (2017) identifies the "clan" style of business by its strong focus on teamwork, employee engagement initiatives, and the organization's commitment to its workforce. Spreitzer and Denison (2018) further elaborate on clan culture, highlighting its inward focus and high regard for adaptability. This culture fosters a climate of collectivism, mutual understanding, and employee participation. It thrives on shared ideas and common objectives.

According to Tianyuan and Nengquan (2019), the establishment of clan culture is facilitated by certain conditions, including a long-standing organizational history, continuity of membership, minimal institutional changes, and strong interpersonal connections among members. In essence, clan culture emphasizes the importance of both individual and group values. It prioritizes teamwork, employee engagement, and adaptability while fostering a sense of collectivism and shared purpose. These elements are cultivated in organizations with a history of stability, consistent membership, and strong interpersonal relationships among its members.

### **1.2.2.3 Market Culture**

Market culture, as highlighted by Muthoni (2017), is characterized by its emphasis on achievement, dependability, and production as the top priorities. In this culture, bold moves guided by ambitious objectives are seen as the driving force that keeps the business functioning effectively. Njagi, Kamau, and Muraguri (2020) suggest that one way to evaluate a business's success is by examining how efficiently its employees can accomplish the set objectives derived from interactions with clients and other significant stakeholders. The market culture places a strong focus on productivity, execution of plans, performance, and goal achievement. The key motivating factors in this culture are competitiveness and a work environment that values and prioritizes high performance (Ngima & Kyongo, 2013).

In essence, market culture emphasizes the importance of achieving results, meeting objectives, and driving productivity. It encourages a competitive mindset and a work environment that fosters high performance. The culture is driven by ambitious goals and a focus on delivering value to clients and stakeholders.

### **1.2.2.3 Hierarchical Culture**

According to O'Neil, Beauvais, and Scholl (2017), individuals in hierarchical societies possess an awareness of their social position and how their contributions fit into the larger social order. This understanding of hierarchy is reflected in organizations that embrace a hierarchical culture, as described by O'Reilly (2019). In such cultures, there is a strong emphasis on formal norms and clearly defined procedures for operation. These rules and processes are evident throughout the organization. Denison (2019) further explains that hierarchical cultures prioritize internal control and structure. They rely on regulations, rules, and norms to establish control and create stability within the organization. Bogdanowicz (2020) adds that hierarchical organizations are typically formal and structured, with activities guided by established routines and clear rules.

In summary, a hierarchical culture places importance on formal norms, clear procedures, and adherence to rules and regulations. It seeks to establish control and stability within the organization through a structured and controlled work environment.

### **1.3 Statement of the Problem**

The effective execution of a plan is essential to the continued success of a business. While organizations around the world spend billions of dollars and countless hours developing strategy, implementation is typically an afterthought. According to Raps and Kaufman (2018), barely 10 to 30 percent of the plans that are produced throughout the globe really end up being implemented. This is because there are less resources available, inadequate incentive systems, inadequate regulations, and quick technology changes and advancements, all of which necessitate a workforce and business culture that is more adaptable and smarter.

In reaction to the rapidly shifting environment, dwindling resources, and increased consumer knowledge, as well as changes in consumers' tastes and preferences, participants in the banking industry are currently employing a wide variety of techniques. Generally speaking, commercial banks will establish a set of guiding principles that will serve to describe their strategy for business, customer service, and internal operations. A number of changes are changing the regulatory environment in which banks operate, and the Kenyan banking sector is no exemption to this. This is happening all over the world. As a direct consequence of this, there has been research into various methods of dealing with adversity, including the reduction of workforce size and the incorporation of various technology platforms into banking operations (Kaiba, 2016).

According to Vezzoli (2018), ineffective execution of strategies may have lost the banks in emerging countries a significant amount of money in their endeavour to remain relevant in the new commercial arrangement. Dubai Bank of Kenya, Chase Bank and Imperial Bank in Kenya has all been forced to shut their doors in recent years as a result of the tsunami of failure that has been sweeping through the banking industry. According to Onuonga (2019), the average increase in commercial banks' Profits before Tax (PBT) has been less than 20%, indicating a declining trend from earlier periods. This indicates that the performance of commercial banks has not been outstanding overall.

In researching the influence of corporate culture on strategy implementation in tier one commercial banks in Kenya, there are several gaps that need to be addressed. Conceptually, there is a need to establish a clear and consistent framework for understanding corporate culture and its impact on strategy implementation.

Contextually, the unique cultural, organizational, and environmental factors specific to tier one commercial banks in Kenya should be considered. Methodologically, a combination of qualitative and quantitative research methods is needed to gather robust and comprehensive data. Empirically, there is a lack of specific research focusing on tier one commercial banks in the Kenyan context. Closing these gaps through rigorous research can provide valuable insights for effective strategy implementation in these banks.

A great number of empirical research have been conducted in this subject that is now being researched all over the world. According to Marcoulides and Heck's research (2019), the culture of a company has a significant and direct influence on how well financial institutions in Sweden put their strategies into action. In addition, Schneider (2021) discovered that businesses that place a strong emphasis on their corporate cultures enjoy greater levels of success, perhaps due to the fact that such cultures provide higher financial returns. Amrule (2019) claims that there hasn't been much research done on the execution of strategies in underdeveloped countries, Amrule discovered that additional study is required, especially in developing nations like Kenya where the knowledge gap is particularly pronounced. Githui (2017) explored the broader Market Culture elements that are present among commercial banks in the local area. Olali (2018) researched the difficulties in carrying out a strategic plan at a cooperative bank, Koske (2017) conducted research on the challenges that corporate culture presents to financial services providers.

The few studies that have been done on these themes have generally been conducted in a foreign environment, creating a contextual gap on the necessity to obtain local empirical data on the same (Marcoulides and Heck, 2019; Schneider, 2021). (Marcoulides and Heck, 2019; Schneider, 2021). There has been a lack of an efficient model for assessing or signalling strategy implementation, which has led to a methodological vacuum that has to be resolved. This is another drawback that has been found in previous research. As a result, the purpose of the present research was to fill the empirical, contextual, conceptual, and methodological voids that were shown by previous studies and by empirical data. In view of this difference, the goal of this investigation was to analyse the effect of corporate culture on strategy implementation using the example of tier one commercial banks in Kenya as the case study.

#### **1.4 Purpose of the Study**

The purpose of studying the influence of corporate culture on strategy implementation in tier one commercial banks in Kenya was to understand the impact of cultural factors on successful strategy execution, provide recommendations for aligning culture with strategic objectives, and contribute to the knowledge in the field.

#### **1.5 Objectives of the Study**

The main objective of studying the influence of corporate culture on strategy implementation in tier one commercial banks in Kenya was to investigate the relationship between culture and successful strategy execution, providing insights for improving organizational performance.

##### **1.5.1 Specific Objectives**

The study was guided by the following specific objective:

- i. To establish the influence of adhocracy culture on strategy implementation by commercial banks in tier one in Kenya
- ii. To assess the influence of clan culture on strategy implementation by commercial banks in tier one in Kenya
- iii. To determine the influence of market culture on strategy implementation by commercial banks in tier one in Kenya
- iv. To assess the influence of hierarchical culture on strategy implementation by commercial banks in tier one in Kenya

#### **1.6 Research Hypotheses**

**H<sub>01</sub>:** Adhocracy culture has no significant effect on strategy implementation by commercial banks in tier one in Kenya.

**H<sub>02</sub>:** Clan culture has no significant effect on strategy implementation by commercial banks in tier one in Kenya.

**H<sub>03</sub>:** Market culture has no significant effect on strategy implementation by commercial banks in tier one in Kenya.

**H<sub>04</sub>:** Hierarchical culture has no significant effect on strategy implementation by commercial banks in tier one in Kenya.

### **1.7 Significance of the Study**

This research is of tremendous importance to a variety of players in the banking industry for a number of different reasons. This study could be useful for executives working in commercial banks. The research conducted here helps banks identify cultural barriers to the effective application of their policies. Additionally, The study provides insight into the numerous cultural elements that affect the effective implementation of plans as well as the approaches that can be taken to deal with these aspects in order to enhance strategic efficacy and consequently competitiveness. The study not only offers guidance but also provides a reference on how these cultural issues may be addressed and resolved. This is done with the goal of creating and putting into effect a sustainable competitive advantage.

Academicians and researchers working in the banking business may benefit from this work as well. It contributes to the existing body of literature about the impacts of corporate culture on the execution of strategy. The study makes a significant contribution to the existing body of literature on corporate culture, which is intended for use by future researchers and academics. It is also useful in identifying other areas of plan implementation that need additional research and analysis, which is something that has to be done. The research sheds light on specific areas of difficulty in the process of putting a plan into action, which is necessary to do so in order to keep up with the competition. At the same time, the research draws attention to a number of areas of difficulty that are open to future development by these commercial banking institutions.

### **1.8 Scope of the Study**

The purpose of this investigation was to determine the impact of corporate culture on the success of strategic initiatives among Kenya's top commercial banks. The primary concern of this study was to investigate the ways in which commercial banks in Kenya are influenced by four separate cultural factors: adhocracy, clan, the market, and hierarchy in the implementation of their respective strategies. The research focused on "tier one" commercial banks, of which there are a total of six. The Kenya Commercial Bank, ABSA, NCBA, Cooperative Bank of Kenya, Equity bank, and Standard Chartered Kenya are all included in this group. The research employed

primary data obtained from questionnaires, along with some unstructured questions, in order to get to the bottom of the matter and discover the truth.

### **1.9 Delimitations of the Study**

The scope of this inquiry was limited to determining how the culture of Kenya's tier-one commercial banks impacts those banks' abilities to put their goals into action. The only cultures that were investigated in relation to strategy implementation were those based on adhocracy, clan, the market, and hierarchy. The research concentrated on financial institutions in Kenya because of the intense level of competition that exists in their industry, particularly in light of the proliferation of Saccos, microfinance institutions, and online lenders.

### **1.10 Limitations of the Study**

There was a significant chance that the participants wouldn't want to disclose data for fear that it could be used against the respondents or written in a way that could be detrimental to the bank. This fear was caused by the possibility that the information would be used against them. Due to the strict confidentiality restrictions imposed by the chosen financial institution, it was likely that some respondents would decide not to participate in answering the surveys. In order to get permission to conduct research, the National Commission for Science, Technology, and Innovation (NACOSTI) required both a research permit and an introduction letter from the university. These were both included into the study. The papers in question were intended to reassure those who participated that the research was being conducted for academic purposes and therefore their privacy and anonymity were to be respected.

Because the respondents' schedules were so full, it was possible that they would not have sufficient time to fill out the questionnaires and interview guides. As a result, the amount of time required to collect the necessary data could be stretched out over a longer period of time. The problem in the study was resolved using a method called "drop and pick later," and as a result, people were given a full week to finish and return their surveys.

Because questionnaires and interview guides were the primary methods of data collection tools, regarding the data that the respondents were to enter into the study instruments, the investigator's findings had little to no impact on the respondents. It's



likely that those who participated are hesitant to divulge info out of concern that it might be used against them one way or another, and this is a factor that ought to be considered into account. This ensured that the data obtained is accurate and helped to assuage any anxieties that the respondents may have had. The investigator informed the participants that the data they provided would only be used for academic study.

### **1.11 Assumptions of the Study**

The study was conducted with the presumption that participants gave truthful replies to the research instruments. When responding to questions about one's personal life, it is best to answer in a plausible manner while keeping in mind that respondents may view the questions as being extremely delicate. Since you are not disclosing any personal information when you are answering impersonal questions, it is acceptable to assume that you are being plausible when answering those questions. In addition to this, the study assumed that the participants shared characteristics with one another. The study also operated on the assumption that corporate culture has an effect on the way that tier one commercial banks in Kenya carry out their strategies.

### **1.12 Theoretical Framework**

According to Naim and Lenka (2017), Theoretical frameworks are comprehensive, overarching philosophical structures that include guiding principles, underlying presuppositions, and social examples. These frameworks may be broken down into subcategories. According to Okumus (2001), the basis of a theoretical framework consists of propositional claims that are drawn from a previously established theory. To explain, foretell, and have a better understanding of a phenomena, as well as, in many cases, to query and build upon the existing body of knowledge while staying within the parameters of the essential limiting assumptions, theories are developed. A theoretical framework is constructed with the purpose of presenting and explaining the theory that is the basis for the existence of the study issue that is now being discussed. As our theoretical frameworks, we used Schein Model of Organizational Culture, Dynamic Capabilities Theory, the Contingency Theory and Institutional Theory.

### 1.12.1 Dynamic Capabilities Theory

Researchers Pisano, Teece and Shuen (1994) were the ones who first developed the idea of "dynamic capability." By adhering to this notion, companies may improve their capacity to adjust to the ever-shifting circumstances of the external environment, so increasing their lifetime. At the time, there was no theory that could adequately account for complex economies, which necessitated the development of such a theory. The dynamic capability theory tackles a variety of problems, including but not limited to learning in organizations or entrepreneurship, expertise and change management.

The capacity of a business to respond quickly and effectively to changing circumstances in the market by developing creative new goods and services is one of the most critical variables determining whether or not it will be able to compete effectively. According to Jain and Trehan (2019) the fundamental forces behind capitalism include the creation of new commodities and services, advancements in products and processes, consumer markets, and strategies for industrial organization. The capacity of the company to identify opportunities and dangers, to make decisions that are both timely and market-oriented, as well as to adapt its resource base, is what determines the firm's success. Gupta (2017) describes dynamic capabilities as the qualities that show a business' ability to tackle problems in a methodical manner.

Dynamic capabilities may be thought of as a combination of dynamic and capabilities. According to Jain and Trehan (2019), the purpose of changing the resource base is to fit the demands of the company's top decision-makers, however according to Akinyi (2017), the key objective of dynamic capacity is to increase organizational performance. Tharp (2018) suggests that in order for firms to successfully adjust to changing conditions and keep their edge over other competitors, they need restructure, rebuild, and strengthen their resources. A number of researchers, such as Senaji (2019), Helfat et al. (2017), Barney (2019), and others, They argue that an organization's "dynamic capabilities" include its recognizing of a demand or chance for change, "seizing" of that opportunity to respond to that need or possibilities, and "executing" on that reaction (reconfiguring). Barney is one of these researchers.

According to Brownbridge and Harvey (2018), the relationship between seizing and sensing is seen as the process of gaining strategic insights, whilst the connection between seizing and reconfiguring is considered to imply the process of putting the plan that was thus gained into action. The dynamic capabilities hypothesis states that

businesses can create and retain a competitive edge (if they have the ability to spot and capture new opportunities and then restructure their resources and skills to take benefit of those chances and adapt to evolving economic conditions) (Meyer, & DeWit 2018). According to this notion, organizations can achieve this by rearranging their resources and competencies in order to seize new opportunities and adjust to shifting market circumstances.

The dynamic capacities hypothesis identifies businesses that are able to find and then take advantage of new opportunities, providing support for the adhocracy culture characteristic. This is done via the use of the phrase "high-potential organizations." In addition, these businesses are able to reorganize their resources and skills in accordance with the opportunities that have been identified as well as the changes that have occurred in their surrounding environment, which may both improve and sustain the desired level of performance. The dynamic capacities theory will be employed in this study to ascertain the extent to which an adhocracy-friendly culture affects how Kenya's commercial banks execute out their strategies.

### **1.12.2 Contingency Theory**

According to Gupta (2017), the purpose of contingency theory is to achieve a state in which "environmental circumstances and organizational design are in harmony." According to Haffar, Al-Karaghoul, and Ghoneim (2017), this research endeavor is an effort to discover, via study, what kind of management strategies perform best for specific sorts of conditions. The first time it was presented as a substitute for conventional management to enable more effective workflows at workplaces was in the 1960s, which makes it feasible to trace its origins all the way back to that time period. The contingency hypothesis (Hollund, Hyland & Olsen, 2017) contends that there is no "optimal technique" of organization and that organizations function best when they adjust to the requirements of changing circumstances.

According to Klein (2018), in today's fast-paced economic environment, businesses need to make consistent adjustments in order to preserve their efficiency. According to the words of one researcher, "The most significant contribution that contingency theory has made to the area of organizational psychology is to raise our awareness of the fact that there are many different approaches to effective organization and to start

listing the possibilities and their implications. The "most significant contribution that contingency theory has made to the discipline of organizational psychology" is such. However, some people believe that the theory of contingencies can only achieve a quasi-fit, which means that the structure only somewhat corresponds to the events that take place (Njagi, Muraguri, and Kamau, 2020). Additionally, organizational managers may not be aware of the theory's fit indicates, which restricts their capability to guide the business in that strategic direction. (Racelis, 2017). This study uses the contingency theory to look at how clan culture affects how Kenyan commercial banks embrace strategic initiatives. Kenya was the location of the research.

### **1.12.3 Institutional Theory**

This study uses the contingency theory to look at how clan culture affects how Kenyan commercial banks embrace strategic initiatives. Kenya was the location of the research. (Andrew, 2017). According to what they have discovered (Tharp, 2018), the regulatory, normative, and cognitive pillars of institutions are the most essential factors that shape and determine organizational behaviour. According to Barney (2019), an organization's cognitive, normative, and regulative elements, as well as any auxiliary operations and assets, are what sustain the company and decide how successful it is. Policies provide forth the standards that will be upheld via the application of norms, incentives, and consequences to those who violate them. Norms in an organization may be thought of as a collection of rules or recommendations that are derived from a commonly held set of values. When applied to a professional environment, the cognitive process contains social aspects that serve to govern decision making.

Symbolic systems, relational systems, and routines are all examples of channels that are used in the process of disseminating and reinforcing established organizational ideas. According to Ayiecha and Senaji (2019), Institutions are groups that direct the implementation of a plan by controlling how people interrelate with one another and are based on established norms, whether those standards be formal or informal. Despite the fact that these enduring structures inside the business are typically linked to stability, Brownbridge and Harvey (2018) contend that are actually vulnerable to both progressive and abrupt processes of transformation. The most important point

that institutionalists try to make is that the internal environment of a corporation has a significant impact on the development of new organizational structures (Barney, 2019).

Institutional theory asserts that organizations are engaged players with a variety of options for responding to institutional requests, from simple compliance to actively altering those demands. Instead of being passive objects, organizations are active players. (Gupta, 2017). In other words, institutions do not merely impose their demands on organizations; rather, organizations impose their demands on other institutions. The use of this theory in this study aids in the discovery of linkages in Kenya's retail banking sector between market culture and the implementation of strategy. In this study, the institutional theory will be applied to analyse how market culture affects the acceptability of strategic initiatives by commercial financial institutions in Kenya.

#### **1.12.4 Schein's Organizational Culture Model**

Edgar-Schein (1992) asserts that companies don't suddenly develop a culture; rather, cultures emerge gradually over the course of time as individuals go through a variety of shifts, adapt to the external environment, and discover solutions to problems. People begin to implement what they've gained from previous experiences into their day-to-day work life, so contributing to the development of the culture of the organization. To be able to live stress-free lives, newly hired employees are also working very hard to understand and adopt the organization's norms and values. This is carried out to ensure that new hires can do their tasks effectively.

According to Schein's description, which was quoted by Hyland, Hollund, and Olsen (2017), the three layers of corporate culture are artifacts, basic principles, and fundamental presumptions. Each of these components contributes to the culture of an organization. Mechanisms found inside companies may either be direct or indirect in nature. The paradigm of corporate culture is significantly impacted by the presence of direct procedures. This requires not just an exemplary level of behavior but also thought leadership, notoriety, and formal positions as well. Indirect processes are very important because, although not having an immediate impact on the culture of the business, they nonetheless manage to mould it. This includes not just the objectives of the company but also its formal customs, rituals, and corporate brand as well as its

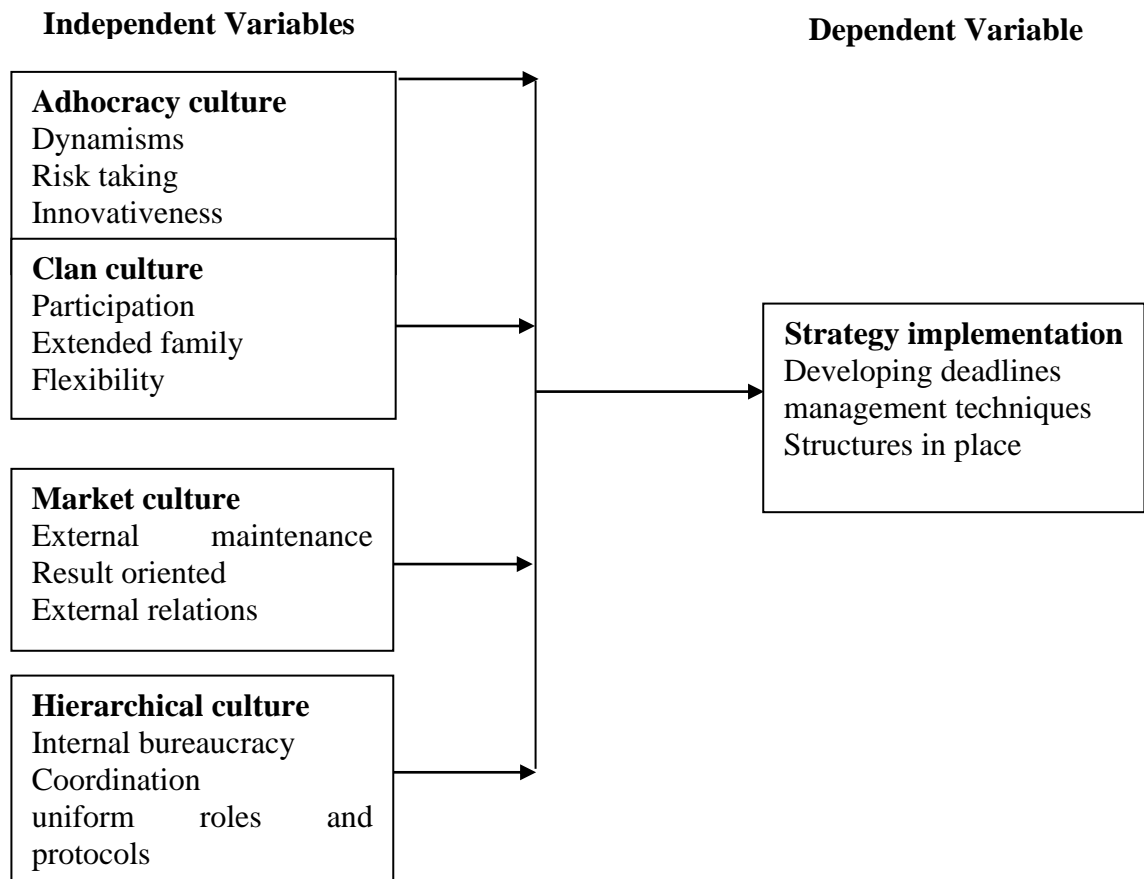
overall design. The idea of corporate culture put up by Schein may also be used as a touchstone for bringing about cultural transformations. It is in your best interest to learn about the history and culture of the organization by conversing with as many employees as you can. These have the potential to act as a launchpad for the transformation of culture (Baumgartner, 2019).

In order to successfully reform a culture, its members must first come to the realization that some behaviours must first be unlearned before other behaviours can be acquired to take their place. When the anticipated cultures and the present cultures are not aligned, culture interventions are required. Senior management is in charge, and the HR department is assisting them in their efforts (Brown, 2019). It is essential that the approach be carried out in its entirety here. There is No need exists for a revised corporate image, a new logo for the business, or seminars on "customer oriented." It is important to acknowledge and reward excellent performance based on the results that can be measured. For the purpose of defining his three levels of civilisation, Schein uses an archaeological parallel. The artifacts left behind by a civilisation are the obvious but often enigmatic evidence that may be discovered on the surface. These, like the written word, are the most overt manifestations of culture. These are some ways that culture shows up. To continue the analogy, if one digs further into the cultural soil, one may discover the proclaimed principles that lie behind these objects. These principles serve as the foundation for the organization, and they are now being evaluated via education (learning), after which it will be decided whether or not to put them into practice (Hogan & Coote, 2014). When it comes to deciding whether or not a company's strategic strategy is properly carried out, culture plays a significant impact. According to Racelis (2017), putting the strategy into effect will be simpler if the culture of the organization allows for a degree of adaptability. To determine the degree to which a hierarchical culture correlates to the prosperity or lack thereof of strategy execution in Kenyan banking sector, we will employ Schein's Organizational Culture Model.

### **1.13 Conceptual Framework**

A conceptual framework is a type of analytical instrument that, because of its portability and versatility, can be applied in a variety of contexts. It is relevant in a range of professional domains when there is a need for an all-encompassing image. It

is useful in distinguishing between various styles of thinking and arranging ideas (Barney, 2019). The four categories of cultures include clan culture, hierarchical culture market culture, and adhocracy culture, will each play a role as an independent variable during the course of this inquiry. On the other hand, the execution of the plan will play the role of the dependent variable in this research.



Source: (Survey Data, 2023)

Figure 1.1: Conceptual Framework

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents the summary of the investigation that has been conducted on the relevant topics. It gives a summary of the literature that was reviewed in addition to a critical analysis of the information that was made accessible, an examination of the areas that require additional investigation as well as the recognition of research gaps.

#### **2.2 Review of Literature**

The literature review on the influence of corporate culture on strategy implementation in tier one commercial banks in Kenya reveals that corporate culture plays a critical role in shaping the success of strategy execution. Previous studies have identified dimensions of corporate culture and specific cultural factors that affect strategy implementation outcomes. Key factors include organizational alignment, communication patterns, teamwork, and employee engagement. A supportive culture that aligns with strategic goals, fosters adaptability, and encourages innovation is essential for effective strategy implementation. The literature review provides a valuable foundation for understanding the dynamics of corporate culture and its impact on strategy execution in tier one commercial banks in Kenya.

##### **2.2.1 Adhocracy Culture and Strategy Implementation**

Haffar, and Al-Karaghoul, Ghoneim (2017) researched how the culture of adhocracy influences the variables of Individual Readiness for Change (IRFC) when it comes to adopting Total Quality Management (TQM) among the manufacturing enterprises in Syria. Specifically, they were interested in how these elements are affected by adhocracy. Within the scope of this research, a questionnaire was administered to 150 different manufacturing companies. According to the findings of a recent study, the culture of a business has a major bearing on the degree to which its personnel are willing to adapt to new circumstances. Getting everyone on board with the aims of the firm should be the primary emphasis of any efforts to establish the organizational culture of an organization. Adhocracy is recommended as the best culture for firms that frequently need to adapt to changing situations since it makes it simpler to put concepts into action. It is impossible to achieve success in the effective



implementation of projects without the flexibility and innovation that are characteristic of this cultural milieu. Leaders should be needed to foster values that represent independence and inclusivity on the staff members of the organization since the type of culture that a company chooses impacts the individual outlook on various tasks and changes in strategy.

Tseng (2019) investigated, in a second piece of research that he carried out, the effect of information shifts and corporate culture on the output rate of a company operating within a Chinese business environment. Particular attention was paid to investigating the connection between adhocracy cultures and shifting information, as well as the implications these had on performance. There was a beneficial influence of the adhocracy culture, and that was an improvement in the pace of knowledge conversion and staff output. The habits and attitudes of individual staff members toward achieving their goals via creative problem solving were also impacted by the culture of adhocracy. Zhang and Zhu (2017) also investigated 4 distinct types of cultures throughout China's 9 provinces and municipalities. In the course of the research, a total of 25 different businesses were used as case studies to investigate the relationship between various organizational cultures—including clan culture, adhocracy culture, market culture, and hierarchy culture—and business productivity. The empirical results showed that a culture of adhocracy had considerable beneficial benefits on the enterprises' productivity measured in terms of sales turnover. The actions and attitudes of staff members in the workplace may be improved with the help of clan culture and the market.

O'Neill, Beauvais, and Scholl (2017) conducted research to investigate the relationship that exists between adhocracy cultures and the results and activities of strategic planning. Even if a company has the ideal culture, if that culture is in conflict with the organizational structure, it may still be difficult to effectively implement its strategy. This is something that was found. There is a correlation between a combination of adhocracy and a flat organizational structure and high levels of employee engagement and autonomy. This partnership is perfect for putting into action strategies that need the involvement of each and every employee at the organization. It is very evident that adhocracy is intended for businesses that have a certain leadership and structural orientation, and the way that is used to cultivate loyalty is adhocracy. The findings of the study brought to light the relevance of

preserving tranquillity within the cultural setting of an organization within the scope of its structural context.

Yesil and Kaya (2018) conducted research in Turkey with the purpose of examining organizational culture and the effects it has on Turkish companies. In this particular study, a descriptive research technique was used, and regression analysis was utilized to assist with the interpretation of the study data. The similarities and differences between many types of civilizations, such as hierarchies and clan cultures, were discussed. According to the findings, both clan culture and adhocracy culture promoted knowledge and information exchange, which contributed to an improvement in the operational effectiveness of the organization.

Khedhaouria, (2020) investigated the impact of several types of cultures (including adhocracy culture, clan culture, hierarchy culture, and market culture) on the entrepreneurial attitude and level of success of small enterprises in Tunisia. An entrepreneurial mindset involves being active, being willing to take risks, and being innovative. The empirical findings demonstrated that market culture and adhocracy culture encouraged entrepreneurial behaviour in small enterprises by means of constructive behaviours, creative endeavours, and innovative ideas. The empirical findings also shown that there is no substantial correlation between the outcomes of major businesses and the culture of adhocracy. There was a substantial correlation between the efficiency of the entity being studied and the culture of adhocracy when using this variable as a mediator.

In 2015, Mutai conducted a research on the knock-on impacts that the adhocracy culture at Airtel Kenya has. The fact that positive results were achieved provided evidence that the strategy devised by the company was effectively executed in line with the norms that had been established. The findings also revealed that well-coordinated activities are more likely to take place in environments that have a strong cultural base. In addition, the data revealed that communication is essential to the successful execution of any plan, and that in the absence of it, workers continue to be uncertain and unwilling to make decisions, which causes difficulties in the process of putting any strategic plan into action. Further, Mutai's study uncovered a plethora of publications that discuss the ways in which adhocracy shows itself in actual corporate environments. However, the degree to which this aspect of organizational culture has an effect on the execution of strategy has received little attention or study in the

research that has been done up until this point. There has been no discussion on the creativity of the organization as a factor that contributes to the effective execution of plans. By investigating ingenuity within the framework of adhocracy cultures, this study will fill a gap in the existing body of information.

According to the findings of a research that was conducted by Nongo and Ikyanyon (2017) in Kenya professional organizations, there is a substantial correlation between the culture of adhocracy and the execution of strategies. The research came to the conclusion that the culture of adhocracy and the consequences it has cannot be disregarded. As a result, the research advised that businesses strive toward developing structures that hold adhocracy in the working environment. It is important that structures be built at both the business managerial level and the operational managerial level in such a way that they are capable of accommodating a culture of adhocracy at all levels of the company. In addition, the culture of adhocracy must to be taken into consideration while designing the organizational leadership structure. Additionally, Nongo and Ikyanyon (2017) recommended good practices in which top managerial commitment is sought to seek the involvement of staff for specified periods of time during the implementation of strategy to experiment with adhocracy. Regardless of whether the culture is successful overall or just in some areas, the greatest leaders have to make sure they have the correct person on their team who is able to execute plans in an ad hoc fashion. This is true even if the culture is successful overall. To accomplish this goal, leaders should provide their subordinate members, regardless of status, with the knowledge and skills necessary to administer various tasks in an adhocratic fashion.

Researchers Njagi, Kamau, and Muraguri (2020) investigated how the presence of an adhocracy culture influences the degree to which Kenyan professional organizations are successful in putting their strategic plans into action. It was intended for the sample to consist of 168 individuals hailing from 28 distinct organizations that are presently authorized by APSEA. For the purpose of collecting this information, a questionnaire was employed. The six (6) senior executives who have a direct role in carrying out the strategy were picked using a deliberate sampling technique through the selection process. An investigation into the null hypothesis and a regression examination of variance were done to see if there was any relationship between the adhocracy culture and the usage of methodologies in practice.

The studies mentioned investigate the influence of adhocracy culture on various aspects of organizations in different contexts. Haffar and Al-Karaghoul (2017) focused on the adoption of Total Quality Management (TQM) in Syrian manufacturing companies and found that adhocracy culture positively impacted individual readiness for change. Tseng (2019) examined the effect of adhocracy culture on information sharing and performance in Chinese companies, revealing a positive relationship between adhocracy culture and knowledge conversion and employee output. Zhang and Zhu (2017) studied the impact of organizational cultures, including adhocracy culture, on business productivity in China, and found that adhocracy culture had significant positive effects on sales turnover. O'Neill, Beauvais, and Scholl (2017) investigated the relationship between adhocracy culture and strategic planning activities, highlighting the importance of aligning culture with the organizational structure. Yesil and Kaya (2018) explored the effects of organizational culture on Turkish companies, demonstrating that both adhocracy culture and clan culture promoted knowledge exchange and operational effectiveness. Khedhaouria (2020) examined the impact of various cultures, including adhocracy culture, on the entrepreneurial attitude and success of small enterprises in Tunisia, finding that adhocracy culture fostered entrepreneurial behavior. Mutai (2015) studied the adhocracy culture at Airtel Kenya and emphasized the importance of coordination and communication for successful strategy execution. Nongo and Ikyanyon (2017) highlighted the correlation between adhocracy culture and strategy implementation in Kenyan professional organizations, recommending the incorporation of adhocracy culture in organizational structures and leadership. Njagi, Kamau, and Muraguri (2020) investigated the relationship between adhocracy culture and strategic plan implementation in Kenyan professional organizations, finding a significant positive association.

### **2.2.2 Clan Culture and Strategy Implementation**

Rajasekar (2014) researched on the relationship between clan culture and the successful execution of strategy in a service business. The study's primary focus was on the distribution of energy companies in the sultanate of Yemen. Each of the 124 key senior managers who took part in the study had a comprehensive conversation with a researcher in order to collect primary data for the study. According to the

findings of the research, clan culture has a crucial effect in the execution of strategy. The research also revealed that the culture of an organization is an essential component to the accomplishment of any plan rollout. In the course of the research, topics such as communication (both internal and external), leadership, organizational structure, and control were extensively covered. He made a significant discovery on the link that exists between the culture of a company and the achievement of its strategic initiatives. According to the findings of the study, all of the different kinds of cultures that exist inside an organization have significant ties to the process of implementation. However, the degree of influence deviates from the most successful (clan culture) to the least successful (hierarchy culture) (institutional culture)

Damci (2020) examined construction organizations in the United States of America and India to determine the effect of delays in construction related with schedule and cost overruns in construction companies in both countries due to the presence of organizational culture. The only firms that encountered delays were a select few. According to the findings, the primary obstacle that caused a delay in the implementation process in some of the organizations was the performance of the human resources in such companies. The findings also suggested that the poor performance might be attributed to certain kinds of organizational cultures. It is necessary for leaders and managers in the construction industry to encourage the development of an organizational culture that is related to the concept of cooperation in order for huge projects to be developed. According to the findings of this research, one of the types of culture that is most likely to survive is the clan culture, which is linked to the establishment of high levels of cohesion and team playing. These elements have an impact on high performance as well as dedication to completing objectives within the allotted time frame. Because there is a significant correlation between culture and the timely delivery of goals in the construction industry, it is much simpler for businesses in this sector to put a strategy into action when they adhere to a clan culture.

Racelis (2017) did an exploratory study project on clan culture in Philippine enterprises as part of an attempt to classify different types of business cultures. The results of a poll called Clan Culture that was conducted with 136 managers in the Philippines reveal that some sectors have similar cultural features along two separate continuums: organic and mechanistic, and integration and differentiation. There is a

possibility that these parallels are the result of a comparable competitive climate, the needs of customers, and the expectations of society.

According to research carried out by Trehan, Jain, and Trehan (2019) on the connection between clan culture and execution of strategic plan: The research conducted by Typologies and Dimensions uncovered substantial evidence in favor of a connection between cultural traits and levels of productivity in the workplace. The findings highlight the relevance of clan culture as a factor in determining the outcome of plan implementation. This result is illustrative of the varied nature of culture, and it should serve as a warning to discerning managers that they must deftly take into account all aspects of culture in order to make effective use of the productive functions that culture provides in the course of executing strategy.

Phang (2019) carried out a study on Software Process Improvement (SPI) across certified Taiwanese firms in order to determine the extent to which organizational culture influences strategic decision-making. The findings revealed that businesses that depended on a hierarchy-based organizational culture were likely to have difficulty in adopting the SPI approach because of the negative consequences on innovation. This was expected to be the case due of the fact that hierarchical organizational cultures tend to discourage innovation. It was believed that the bureaucratic environment stifled innovation among the human assets, and that the organizational cultures that fostered power gaps between individuals of various levels of the company led to ineffective plan execution. Based on the findings of the research, it was suggested that incorporating aspects of clan culture into the operations of the organization would be an effective way to improve its capability of putting plans into action. The destructive effects of power are mitigated by the presence of a clan culture, which also fosters more employee collaboration and, as a result, expands the opportunities for putting the SPI approach into practice.

Njagi, Kamau, and Muraguri (2020) conducted research to ascertain the influence that clan culture has on the implementation of strategy. Because of the critical responsibilities that they play in the execution of the strategy, managers from Information and Communications Technology, Planning, Human Resources, Procurement, and Marketing were all present today. The study gathered 132 structured questions that were completely filled out from a total of 168 respondents who belonged to 28 professional organizations. In order to do multiple linear

regression analyses, the SPSS program was used. According to the findings, the components of clan culture, the coefficient for organizational glue, and the strategic focus largely influenced the organization's ability to put plan into action. The findings of the research showed that clan culture has a role in the manner in which a strategy is put into action. In the context of a commercial bank, does the application of these findings have any implications? The bridging of a knowledge gap is going to be the focus of this inquiry.

Brownbridge and Harvey (2018) found that 75 percent of Kenyan commercial banks provided an atmosphere that supported innovation, entrepreneurship, and creative thinking. This was discovered when they were researching the influence of clan culture on the execution of strategy in Kenyan banks. Many of Kenya's banking institutions have adopted the flexible cultures required to prosper in the present quick-changing business environment. It is possible for a business to improve both its strength and its efficiency by establishing its culture on ideas, practices, and behavioural norms that are favourable to the execution of its plan. According to the findings of the study, which drew on both primary and secondary sources of information, commercial bank workers care more about maintaining the cultural traditions of their clan than they do about their professions. The purpose of this research is to investigate the effects of market culture, adhocracy culture and hierarchical culture in financial institutions with the end goal of bridging the gaps that have been left by prior research on corporate culture.

Wanjira (2017) conducted an investigation on the effect of organizational culture on the execution of strategy. The research focused on the construction industry in Nairobi, Kenya, and included three different businesses. In order to gather information, the researcher filled out questionnaires. The study found that for a company to compete well with rivals in the industry, executives should show their readiness to devote time, effort, and commitment to the strategy execution process, which translates to being adaptable and fostering an environment that encourages resolving customer issues. Furthermore, it was discovered that clan culture and strategy implementation had a strong correlation, which implies that clan culture within a company is a key component of the recipe for successful strategy execution. Clan culture is also flexible, which increases the effectiveness with which techniques are applied.

Muya (2018) questioned employees working for Kenyan state corporations on the connection between clan culture and the effectiveness of their organizations. The data, which was analysed using a Pearson product moment a correlation revealed a significant positive connection between a company's ideals and its performance, with a value of + 0.753. Based on a number of various characteristics, including staff optimism about an organization's future, clan culture was assessed. Internal communication, the management's willingness to share its business strategies and performance results with all of its employees, a highly disciplined management, the use of employees' performance feedback and appraisals, and the management encouraging and rewarding specific workplace behaviour and workplace harmony. They came to the conclusion that adherence to an explicit and clearly articulated set of principles and values was the best way to make the culture of an organization highly robust and coherent. Additionally, they contended that having a powerful leader who establishes ethical standards, demonstrates a sincere and appealing commitment to running the business in accordance with the acceptable values, and exhibits genuine concern for the wellbeing of an institution's participants can significantly and positively affect the performance of an entity.. This is because having an influential leader who establishes desirable values establishes the foundation for an organization to operate according to those values.

The studies mentioned provide evidence of the influence of clan culture on the successful implementation of strategies in various industries and countries. Here is a summary of the key findings from each study:

Rajasekar (2014): The research focused on energy companies in Yemen and found that clan culture has a significant impact on strategy execution. All types of cultures within an organization have ties to implementation, but clan culture was found to be the most successful, while hierarchy culture was the least successful.

Damci (2020): This study examined construction organizations in the USA and India and identified delays in construction projects due to organizational culture. The findings suggested that a clan culture, which promotes cooperation, teamwork, and high levels of cohesion, was more likely to lead to successful implementation in the construction industry.

Racelis (2017): The study aimed to classify different types of business cultures in Philippine enterprises. The results revealed that certain sectors had similar cultural



features along two continuums: organic and mechanistic, and integration and differentiation. These similarities were likely influenced by the competitive climate, customer needs, and societal expectations.

Trehan, Jain, and Trehan (2019): This research explored the relationship between clan culture and the execution of strategic plans. The findings emphasized the importance of considering cultural traits in order to effectively utilize the productive functions that culture provides during strategy implementation.

Phang (2019): The study focused on Taiwanese firms and their adoption of the Software Process Improvement (SPI) approach. It found that hierarchy-based organizational cultures hindered innovation and effective plan execution. Incorporating aspects of clan culture, such as collaboration and employee empowerment, was suggested as a way to improve the implementation of strategic decisions.

Njagi, Kamau, and Muraguri (2020): This research investigated the influence of clan culture on strategy implementation, specifically in the context of a commercial bank. The findings indicated that clan culture, organizational glue, and strategic focus significantly influenced the organization's ability to execute its plans.

Brownbridge and Harvey (2018): The study focused on Kenyan commercial banks and their support for innovation and creativity. It found that many banks had adopted flexible cultures that supported the execution of strategies. The research aimed to bridge gaps left by previous studies on corporate culture by examining the effects of market culture, adhocracy culture, and hierarchical culture in financial institutions.

Wanjira (2017): This investigation explored the effect of organizational culture on strategy execution in the construction industry in Nairobi, Kenya. The findings emphasized the importance of executives' commitment and adaptability to the strategy execution process. Clan culture was found to have a strong correlation with successful strategy implementation.

Muya (2018): The study surveyed employees of Kenyan state corporations to examine the connection between clan culture and organizational effectiveness. The findings revealed a positive correlation between an organization's values and its performance. A strong leader who establishes ethical standards and exhibits genuine concern for the well-being of participants was found to positively affect an organization's performance.

Overall, these studies highlight the significance of clan culture in the successful execution of strategies across various industries and countries. Clan culture, characterized by collaboration, teamwork, and shared values, tends to promote effective implementation and organizational performance.

### **2.2.3 Market Culture and Strategy Implementation**

According to the findings of study carried out by Hyland, Hollund, and Olsen (2017), the culture of a market may have an effect on how well a strategy is put into action. The data was collected with the assistance of a broad variety of different instruments. They were eliminated from the population in order to get the data that was required for the study. After the data set had been cleaned, it was then coded in order to perform basic tabulation and categorization. In order to do an analysis of the quantitative data, the SPSS program was used to generate descriptive statistics; the findings were presented in the form of percentages, means, standard deviations, and frequencies. In addition to being given in textual format, the data was also displayed in a number of other visual representations, such as bar charts, graphs, and pie charts. According to the findings of the study, employees have a greater capacity to work together and execute structural changes in an atmosphere that encourages healthy competition. When executives of an organization are committed to its strategy, resources will be directed to enhance areas that are directly relevant to that plan. The development of new technologies has a beneficial influence on the efficacy and productivity of the business operations of an organization. As a result of advancements in technology, employees' duties have been more easier, and a great deal more has been achieved in a much shorter amount of time. Adapting to the new technological realities requires, as a corollary, the creation of innovative products and services that are capable of effectively attracting and retaining customers. As a result, it helps with the actual process of putting the strategy into action. Employees are more attentive to new board directives when they are operating a business or organization inside a fresh set of policies and procedures. This makes it more likely that the plan will be implemented.

Kranicka (2018) did performed research in Poland and published their findings. The primary objective of this study was to determine how the alignment of market culture to the innovation strategy of the company influences the performance of the

organization. The purpose of this research was to precisely investigate a relationship between an innovative culture and the successful execution of strategy within the business. As a result, market culture was selected to play the role of the mediating variable in this research. A poll conducted in Poland revealed a strong connection between market culture and innovativeness in the country's manufacturing sector. Therefore, it was possible to support the significant role that clan culture plays as a mediator in pro-innovation firms that show strong performance and are aligned with their strategic implementation plans.

Martin (2018) As a result, it helps with the actual process of putting the strategy into action. Employees are more attentive to new board directives when they are operating a business or organization inside a fresh set of policies and procedures. This makes it more likely that the plan will be implemented. Contrarily, the differentiation approach contends that distinct subcultures develop within businesses, making it difficult to draw broad conclusions about the overall culture. This idea is based on the idea that diverse subcultures may coexist. Last but not least, the fragmentation approach contends that the cultural environs is riddled with uncertainty (symbolic, ideological and action), which, consequently renders the process of meaning-making cloudy and open to individual clarification. As a result of the fact that culture is not always consistent, it is essential to take into account the positive aspects of culture that are highlighted by the aforementioned three points of view.

Kilmann (2017) provided three perspectives on culture, which he defined as "integration," "fragmentation," and "differentiation," and highlighted the necessity of being aware of the power that culture has. When everyone in an organization is on the same page about the company's values and objectives, culture has the potential to have a significant impact on both how the organization is seen and how its members behave. It is possible for several subcultures to emerge when a culture isn't strong and isn't broadly shared. This is because values and symbols may become more open to interpretation (known as fragmentation) and may diverge from one another (known as differentiation).

Regionally Adams and Boakye (2018) conducted a research on the relationship between innovation, market orientation, and the enterprise performance of women-owned fashion businesses in Ghana. Specifically, the study focused on the fashion industry. The research used a positivist philosophical perspective and a quantitative

method for the examination of the data. Within a section consisting of 15 different districts in Accra, a total of 385 women who were interested in fashion and had attended at least one workshop were chosen as participants in the study. The findings of the research showed that the extent to which an entity embraced market culture had a significant impact on the success of a company. In addition, the potential for innovation served as a mediator in the relationship between women entrepreneurs operating within the fashion business in Ghana and the market culture of their respective markets.

Osman (2016) carried a research to investigate the influence that worker performance and organizational culture have on the success of telecommunications companies based in Mogadishu Somalia, which is the capital city of Somalia. The outcomes of the research showed that an organization's competitive market culture, connected to entrepreneurial culture, and read with consensual culture all have an influence not only on the productivity of workers but also on the organization's overall performance. This was discovered by linking entrepreneurial culture to competitive market culture and reading consensual culture with competitive market culture.

Wambua (2018) investigated the impact of organizational norms and values on the realization of fresh strategic objectives in 2015 at the UoN in Kenya using both secondary and primary information. In-person interviews with participants in the research were used to collect the primary data for the study. Other sources of information used in this study included the strategic plan, performance contracts, quarterly reports, service charter, ISO certification documents, and annual performance assessments of the UoN. In addition, it was discovered that the University of Nairobi had a well-structured strategic planning procedure, in which members of the organizational team, together with other staff employees who are represented by various trade unions, take part. The inquiry further established that the process of strategic development at the institution had been codified, which led to the creation of a strategy document (strategic plan) with a perspective spanning five years. It was found out that the institution used a broad variety of cultural brainwashing tactics. This area includes the management of transitions, the development of employees, advancements to information technology, and alterations in cultural norms.

The results of Muthoni (2012)'s study on the influences of organizational culture on execution of strategy amongst commercial banking organizations that operate in Kenya revealed that 75 percent of those institutions have a negative organizational culture. sustain a market culture at work that values entrepreneurialism, dynamism, and inventiveness. A large number of these financial institutions in Kenya have adopted flexible work cultures that are suitable for environments that are always changing. This market culture is founded on values that are supportive of the strategy, and these values, in addition to practices and other behavioural norms, contribute to the efficiency and power with which a firm is able to execute its plan. According to the findings of the research, which included both primary and secondary sources of information, the majority of commercial banks are more concerned with preserving their organizational cultural values than they are with their job.

The studies mentioned above highlight the relationship between market culture and strategy implementation in various industries and countries. Here are the key findings from each study:

Hyland, Hollund, and Olsen (2017): The study suggests that a market culture encourages healthy competition, collaboration, and adaptability, which are beneficial for executing structural changes and directing resources towards areas relevant to the strategy. The adoption of new technologies enhances efficiency and productivity, and employees are more attentive to new directives when operating within a fresh set of policies and procedures.

Kranicka (2018): The research conducted in Poland reveals a strong connection between market culture and innovativeness in the manufacturing sector. Market culture plays a significant role as a mediator in pro-innovation firms aligned with their strategic implementation plans.

Martin (2018): Different perspectives on culture (integration, differentiation, and fragmentation) are discussed, emphasizing the importance of understanding the power of culture. When values and objectives are shared, culture can have a significant impact on how an organization is perceived and how its members behave.

Adams and Boakye (2018): The study focuses on women-owned fashion businesses in Ghana and finds that the extent to which a company embraces market culture significantly influences its success. Innovation serves as a mediator in the relationship between women entrepreneurs and the market culture of their respective markets.

Osman (2016): The research conducted in Somalia shows that competitive market culture, entrepreneurial culture, and consensual culture influence the productivity of workers and the overall performance of telecommunications companies.

Wambua (2018): The study examines the impact of organizational norms and values on the realization of strategic objectives at the University of Nairobi in Kenya. It highlights the importance of a well-structured strategic planning process and the use of cultural brainwashing tactics, such as managing transitions, employee development, advancements in technology, and changes in cultural norms.

Muthoni (2012): The research on commercial banking organizations in Kenya reveals that many institutions have a negative organizational culture. However, there is a trend among financial institutions to adopt a market culture that values entrepreneurialism, dynamism, and inventiveness, which supports strategy execution.

Overall, these studies suggest that market culture, characterized by healthy competition, adaptability, innovation, and a focus on customer needs, is positively associated with successful strategy implementation in various industries and countries. Embracing market culture and aligning it with strategic goals can contribute to organizational performance and competitiveness.

#### **2.2.4 Hierarchical Culture and Strategy Implementation**

Wroblewski (2018) examined the influence that a hierarchical culture plays in the execution of strategy within Finland's various financial institutions. The management at both the highest and the intermediate levels of the organizations that were studied participated in an entirely qualitative research project. According to the findings of the research, having to wait for orders from higher-up managers might be harmful to the process of carrying out a strategy, which would cause further delays. Once more, a hierarchical culture poses a barrier for leadership because delegation can only be made to certain ranks, which can impede any procedures if those positions are missing at the crucial moment of implementation. The study discovered that even when internal processes are coordinated and unified under one command, several decisions must be made before any improvements can be made. This was shown to be the case even when there is communication of internal activities. As a result, corrections are always held up, which goes against the principles behind the execution of the plan.

Al-Ali (2017) conducted research on hierarchical cultures in Dubai and indicated that hierarchical cultures lead to organizational leadership change management. This was proposed based on the findings of the researcher's study. This is another component that contributes to the successful execution of strategies inside businesses. Other studies made references to the fact that a hierarchical culture has formal rules that make it possible for employees to have a sense of common purpose, which in turn makes the process of strategy implementation more effective. Because it has been made abundantly clear, the employees in question will not need any additional instructions to carry out the tasks that have already been outlined for them in the organization's mission, objectives, vision and target goals during the period in which strategy is being planned. Tanwar (2018) stated that firms with hierarchical cultures outperformed their rivals or competitors who have both a distinctive quality and the qualities of a hierarchical culture. His idea endorsed the hierarchical culture as a favourable setting for the execution of strategies.

The research conducted in Turkey by Janijevi (2012) focuses on how corporate culture affects preferences inside the organization when choosing an organizational change method. According to the findings of the research, out of all the different strategies that were evaluated, the power coercive strategy feature combined with the power culture led to the achievement of outcomes in strategy implementation the quickest. According to the findings of the research, on the other hand, power cultures are responsible for the erosion of motivation and loyalty, the formation of resistance to change, and are often connected with hasty but ineffective implementation.

Locally, Mwaura (2017) conducted research to determine the effect that a hierarchical culture has on the productivity of enterprises. A descriptive survey was the method of research that was used to carry out the study. It has been shown that a crucial component that contributes to the accomplishment of strategy execution is the degree to which top-level management supports the strategic direction of the business. Because upper-level management is responsible for the governance of an organization, it is tasked with the responsibility of formulating the organization's strategies and ensuring that they are carried out. Because of this, the inability of top-level managers to effectively administer the plan will have a negative impact on the approach's uptake.

The study's conclusions indicate that middle management's participation in strategic communication contributed significantly to the plan's effective execution. The study's conclusions indicate that a culture of adaptability and a company's ability to effectively carry out its strategy are strongly correlated. In order to build a climate that is conducive to resolving client issues and maintaining competitiveness, top managers must exhibit their willingness to contribute time, effort, and commitment to the process. In the modern global marketplace, a culture that values change and actively works to create it has a considerable competitive edge.

Njagi, Kamau, and Muraguri (2020) conducted an experiment to see how the presence of a hierarchical work environment affected employees' levels of productivity. The data was collected with the assistance of a broad variety of different instruments. They were eliminated from the population in order to get the data that was required for the study. After the data set had been cleaned, it was then coded in order to perform basic tabulation and categorization. In order to do an analysis of the quantitative data, the SPSS program was used to generate descriptive statistics; the findings were presented in the form of percentages, means, standard deviations, and frequencies. The findings demonstrated that hierarchical cultures have an effect on the manner in which tactics are implemented.

Atieno and Juma (2015) focused their research on determining the impact of power centralization as a component of the power culture on the execution of strategy in the County Government of Nakuru, which is located in Kenya. In this study, 46 departmental and divisional heads from every government agency to whom duties had been delegated were studied using a descriptive polling methodology in 25 censuses. The data for the research were obtained via the use of structured questionnaires, and the data were analysed through the use of descriptive as well as inferential statistics. The Pearson Correlation Analysis was used so that we could investigate the connection that exists between the concentration of power and the execution of strategies. According to the findings of the research, there is a connection between power centralization as a component of power culture and the execution of strategy that is somewhat favourable and significantly significant.

One way to look at the culture of a corporation is as a type of credo that has been codified. It has the capacity to mould the behaviour of employees in the workstation, contribute to the accomplishment of the enterprise's objectives, and enhance job



morale. Denison put up the following model assumption with regard to the cultural characteristics of companies in the year 1995: You'll discover each of the following four cultural features in each given company: In finally, an organization's "mission" defines whether or not it will blindly pursue temporary interests or adhere to its long-term strategic plan; participation is the creation of a worker commitment mechanism; consistency is a measurement of the enterprise's level of cultural cohesion; and flexibility is the agility with which the business can react to adjustments in its external environment. The first 2 stress the internal coherence of business culture, whilst the latter two emphasize the firm's external orientation. All four are essential to the success of the organization, but the first two are most important.

In order to establish the existence of four qualities and their considerable link with business success indicators (sales growth, goods or services quality, staff satisfaction, and overall performance), Denison carried out a study among 764 top managers in the USA (see Beauvais, Scholl, & O'Neil, 2017). These indices include sales growth, goods or services quality, staff satisfaction, and overall performance).

According to the findings of a study that Ongong'a (2014) conducted on the factors that influence strategy implementation at Kenya Commercial Bank in Kenya, participation and interaction by top management leads to commitment of employees to the firm's strategies and goals, which in turn ensures a successful strategy implementation. Ongong'a (2014) conducted the study. A management has the capacity to extend the timetables for implementation, change the tactics being used, and either lessen or undermine the quality of the work that is being put into the implementation. Additionally, the CEO needs to be able to inspire and encourage those working under them, as well as recognize and reward them for their efforts. Top level managers that are committed to their jobs will constantly look for methods to inspire initiative from medium and lower level managers. All of the roles that workers play in the various departments should be included by managers. Personal leadership qualities are also quite important in playing a significant part in ensuring the successful execution of a plan.

The research studies you mentioned provide insights into the influence of hierarchical culture on strategy implementation. Here is a summary of the key findings:

Wroblewski (2018): The study conducted in Finland found that a hierarchical culture, where decision-making and communication flow through multiple levels of

management, can hinder strategy execution. Waiting for orders from higher-level managers and the lack of delegation authority can cause delays in implementing strategies.

Al-Ali (2017) and Tanwar (2018): These studies suggest that a hierarchical culture can contribute to successful strategy execution. Formal rules and a sense of common purpose within a hierarchical culture can align employees with the organization's mission, objectives, vision, and goals, making the implementation process more effective.

Janijevi (2012): The research conducted in Turkey showed that a power culture within a hierarchical environment, combined with a power coercive strategy, can lead to quicker outcomes in strategy implementation. However, power cultures may also erode motivation, loyalty, and resistance to change, which can affect the effectiveness of implementation.

Mwaura (2017): The study conducted locally focused on the effect of hierarchical culture on enterprise productivity. It found that top-level management support for the strategic direction of the business is crucial for successful strategy execution. Middle management's participation in strategic communication also significantly contributes to effective implementation.

Njagi, Kamau, and Muraguri (2020): This study examined the influence of a hierarchical work environment on employee productivity. The findings indicated that hierarchical cultures can affect the manner in which strategies are implemented.

Atieno and Juma (2015): The research conducted in the County Government of Nakuru, Kenya, found a connection between power centralization as a component of power culture and strategy execution. Higher power centralization was associated with more favorable and significant strategy execution.

Overall, the findings suggest that a hierarchical culture can have both positive and negative impacts on strategy implementation. It can provide clarity, common purpose, and coordination, but it can also lead to delays, resistance to change, and reduced motivation. Effective leadership, communication, and participation from top-level management are crucial for successful strategy execution in a hierarchical culture.

### **2.3 Summary of Review of Literature and Research Gaps**

Here is a summary table outlining the key gaps identified in the previous studies:

**Table 1****Summary of Research Gaps (avoid double space in tables)**

Summary of research gaps are as shown in table 1 below.

<b>Study</b>	<b>Research Focus</b>	<b>Context</b>	<b>Gaps</b>
Beauvais, Scholl, & O'Neill (2017)	Impact of adhocracy culture on strategy implementation	Kampala, Uganda	Limited to bottling enterprises in Kampala; Conceptual and contextual gaps
Haffar, Al-Karaghoul, & Ghoneim (2017)	Influence of clan culture on workplace efficiency	Romania	Does not consider adaptability in clan culture; Lack of methodological depth
Mwaura (2017)	Financial health of utility businesses with hierarchical culture	Kenya (utility firms)	Focus limited to utility firms; Not applicable to commercial banks
Njagi, Kamau, & Muraguri (2020)	Factors affecting performance of publicly listed firms	Australia	Findings not transferable to Kenya; Lack of impact of corporate culture
Racelis (2018)	Corporate culture in the Philippines	Philippines	Contextual limitations; Differences in governance processes and indicators of organization performance
Trehan & Jain (2019)	Link between corporate culture and strategy implementation	Libya (micro enterprises)	Contextual limitations; Differences in governance processes and indicators of organization performance
Muthoni (2017)	Influence of business culture on successful commercial banks	Kenya (specific setting)	Limited to specific setting; Does not consider different organizational cultures in banks

The present research aims to address these gaps by examining the impact of four distinct organizational cultures (adhocracy, clan, market, and hierarchical cultures) on strategy implementation in the context of financial institutions in Kenya.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This section discusses the research technique, which covers the design of the study, the location of the study, the population of the study, the sample, the data collection, the data processing and analysis, as well as the legal and ethical problems involved.

#### **3.2 Research Design**

Kothari (2012) defines the design of a study as the method of establishing how to efficiently gather and assess data in attempt to maximize both its significance to the goal of the research and its effectiveness from a practical standpoint. For the purpose of this inquiry, a descriptive survey methodology was used. According to Bryman and Cramer (2012), The investigator can effectively summarize and arrange the results by using a design that is descriptive. It provides strategies for describing statistical observation collections as well as simplifying data so that it may be consumed. This research technique was well adapted to the goal of evaluating the influence of business culture on the implementation of strategy in Kenya's tier one financial institutions because it gives options for the gathering of both quantitative and qualitative data at the same time.

This is an example of a non-experimental research approach that is extensively used for the purpose of collecting a substantial amount of data from a sample that is representative of the population of interest. The conceptual framework was used in the study since it more truly represents the present circumstances. Previous research, such as that done by Imran, Musawir, Zwikael, and Serra (2017) and Muller and Joslin (2016), amongst others, have used a descriptive study style.

#### **3.3 Research Site**

According to Kilmann (2017), a research site is any place at which surveys are carried out. As a result, the commercial banks located in Kenya served as the major site for this survey. Given the fact that they are currently carrying out their plan in the face of a fast changing environment, decreasing resources, growing customer awareness, as well as fluctuating consumer tastes and preferences, the financial institutions that were chosen were chosen for this reason. As a result, it was essential to conduct

research on the effect that corporate culture has on the capacity of financial institutions to put their objectives into action.

A further research into these various financial institutions suggests that the intangible resource capabilities of these organizations may, at least in part, be responsible for the variation in performance that is seen across these institutions. Intangible aspects of a business, such as its culture and its ability to carry out its strategic plan, have a significant role in the realization of that firm's potential for financial success. In spite of this, not enough study has been done to determine how the presence of these intangible attributes affects the performance of commercial banks. This provides support to the concept that a survey of tier one financial institutions in Kenya would be a suitable site to evaluate the influence of corporate culture on the effective implementation of strategy. Specifically, this lends weight to the argument that a survey of tier one financial institutions in Kenya would be a good place.

### **3.4 Target Population**

The sample consisted of the entire tier one financial institution in Kenya in tier one that receive deposits from depositors and subsequently re-lend those funds to debtors for assorted amounts of time and at varied interest rates (CBK, 2018). The sample was collected from tier one financial institutions in Kenya, which are financial institutions that first receive deposits from depositors and then provide those deposits to borrowers. There are six first-tier banks in Kenya, as stated by the information that is supplied on the website of the Central Bank of Kenya (CBK). These financial institutions simply accept deposits from customers, both private and commercial, and then invest those funds on their clients' behalf. This suggests that the unit of analysis consisted of six tier one commercial banks, while the unit of observation consisted of the employees employed by those banks in the areas of human resources and operations. In other words, the six banks themselves constituted the unit of analysis. Employees at the management level were selected to participate in the implementation of the plan because it is presumed that they possess the requisite experience in this field.

**Table 2****Target Population**

Target population is as shown in table 2 below.

<b>Category</b>	<b>Target Population</b>
Departmental Heads	40
Human resource Department staff	80
Operations Department staff	120
<b>Total</b>	<b>240</b>

**3.5 Study Sample**

The phrase "sample" denotes the subset or group that is chosen from a larger total by using a selection method that has been predetermined. The terms observations, sample points, and sampling units are all used to refer to these individual components. According to Creswell (2019), one of the most fruitful research strategies is the preparation of a sample plan. The sample size for this inquiry was determined based on the 240 people that responded to the survey.

**3.5.1 Sampling Procedure**

A stratified random sampling approach was used in order to get a sample that would be representative for this research. When a varied population is being sampled, a method called stratified random sampling is used (Collis and Hussey, 2018). According to Creswell (2017), stratified sampling is the most efficient method since there is a reduced risk that an essential portion of the population would be missed. In order to conduct this research, the population was segmented into upper management, middle management, and entry-level personnel respectively.

The standard error associated with a sample may be reduced by controlling the variation via the use of stratification, which also helps to guarantee that each demographic grouping is sufficiently represented. Following that, a random subset of participants was selected from each of the strata in order to conduct the research. The sample size of 150 persons from each stratum accounted for 61 percent of the total population and was representative of all strata. Random sampling, which guarantees a small sample size, was shown to increase the accuracy of estimate techniques (Collis and Hussey, 2017). This was due to the fact that the sample size was kept low.

### 3.5.2 Study Sample Size

Creswell (2019) defines a study sample as a collection of items drawn from the whole of the observable universe. When a research study is conducted, the selected subset of the population acts as a proxy for the whole population (Bhattacharjee, 2017). Your time and money were lost since your study was unable to definitely establish or refute its null hypothesis because you had a sample size that was too small (Hoyland, & Cramer, 2018). If you had a larger sample size, your research would have been able to do so. According to Bryson (2018), a sample is a portion of the target population that has been statistically and scientifically chosen to serve as a stand-in for the entire population. In other words, a sample is a representation of the whole.

The study opted Yamane's formula as it is justified for determining sample size due to its simplicity, consideration of population proportion, cost and time efficiency, and widespread acceptance in research practice. It is straightforward to use and does not require advanced statistical knowledge or software. By accounting for the population proportion, it helps in accurately representing specific segments of the population. Yamane's formula strikes a balance between statistical accuracy and practical considerations, minimizing resources while providing reasonable precision. The following steps were taken to determine how many persons should be included in the research project's sample:

$$n = N / (1 + Ne^2)$$

Where  $n$  = corrected sample size,  $N$  = population size, and  $e$  = Margin of error (MoE),  $e = 0.05$  based on the research condition.

$$n = N / (1 + Ne^2)$$

Where  $N$  = target population (240)

$e$  = margin of error (0.05)

$$n = \frac{240}{1 + 240 \cdot 0.05^2}$$

$$n = \frac{240}{1.6} = 150$$

$$= 150$$

**Table 3**  
**Sample Size**

The sample size is as shown in table 3 below.

<b>Category</b>	<b>Target Population</b>	<b>Sample Size</b>
Departmental Heads	40	25
Human resource Department staff	80	50
Operations Department staff	120	75
<b>Total</b>	<b>240</b>	<b>150</b>

As a result, participation was asked from a total of 150 persons so that it could be used as the number of their sample size. This is 61.9% of the total sample size for the people who were scheduled to take part in the research. According to Collis and Hussey (2018), representative samples have to encompass at least thirty percent of the whole population. As a result of this, choosing replies at a rate of 150 was an appropriate sample size.

### **3.6 Data Collection**

In this study, the participants were responsible for independently completing the research instruments. One week had been set aside as the window of opportunity for respondents to finish and turn in their questionnaires. Because of this, they had enough time to finish the survey and either submits it back online or by the conventional mail. The investor has the chance to introduce the research to the participants, clarify the research's aim, and address or clarify any questions that participants may have regarding the study, which is a big advantage of collecting information using questionnaires.

#### **3.6.1 Data Collection Instruments**

According to According to Sekaran (2017), the methods used to get data from study subjects are referred to as the tools used for data collection. For the purpose of this study, primary documents were collected via the administration of semi-structured questionnaires and the use of an interview guide. The department heads were given an interview guide, while the staff members working in the human resource and operations departments were given questionnaires to fill out. To be more explicit, the researchers invited respondents to complete out the research instruments and provide any additional information that was necessary for the study. Creswell (2018) asserts



that questionnaires are the favoured technique of data collection owing to the fact that they are simple to administer, score, and analyse.

### 3.6.2 Pilot Testing of Research Instrument

A pilot study was carried out in order to establish the instrument's reliability, validity, and completeness of response, as well as to conduct an analysis of the instrument's multiple metrics. The pilot study had a total of 15 participants, which corresponds to a participation rate of 10% of the whole sample size. In line with Bhattacharjee's (2017) recommendations, the recommended sample size for a pilot test should be between one per cent and 10 percent of the study's overall population. The target population was used to choose participants for the study's pilot test, and those participants were chosen at random. In this particular instance, the selected volunteers were not included in the research study.

### 3.6.3 Instrument Reliability

The dependability of measuring equipment may be evaluated based on whether or not it consistently generates the same findings whenever it is used. To phrase it another way, it refers to the probability that the measurements will be accurate (Bhattacharjee, 2017). If a person receives nearly the same score on the same test when they are given it several times, we may come to the conclusion that the test is reliable. The research made use of Cronbach's alpha as a statistical tool. According to Holland and Cramer (2018), Cronbach's alpha is a statistic of internal consistency that reveals how tightly related a collection of things is as a whole. This information can be found in the article. It illustrates how accurately a set of test items may be interpreted as assessing a single latent component. (Andrew, 2017). According to Mugenda and Mugenda (2018), if the instrument's alpha value is between 0.7 and 0.8, one may infer that the value is a confirmation and reflection of the instrument's internal consistency.

## Table 4

### Test Results

The test results are presented in table 4 below.

Aspect	Definition	Reference
Dependability	The consistency of measuring equipment in generating the same findings	Bhattacharjee (2017)

Reliability	The probability that measurements obtained from the equipment are accurate and consistent	Bhattacharjee (2017)
Cronbach's alpha	A statistic of internal consistency measuring the relatedness of a set of items	Holland & Cramer (2018), Andrew (2017)
Interpretation	Indicates how accurately a set of test items assesses a single latent component	Andrew (2017)
Alpha value (0.7 - 0.8)	Range of values suggesting confirmation and reflection of internal consistency	Mugenda and Mugenda (2018)

### 3.6.4 Instrument Validity

According to Bhattacharjee (2017), instrument validity refers to the extent to which research findings accurately reflect the phenomena that are the subject of the survey. According to Hoyland and Cramer (2012), People should be able to understand the queries that are posed of them, and researchers must be able to understand the responses they receive from respondents. Face validity, content validity, criterion validity, and construct validity are the three ways described by Saunders et al. (2009) for validating a questionnaire (Zikmund et al., 2010). Face validity describes how the survey appears.

In this procedure, which is known as face validity, the concepts that were under examination were examined to see whether or not they were suitable to appear consistently to reflect what was supposed to be evaluated. According to Tongco and Dolores (2019), the inclusion of expert input in the development of a measuring tool has the potential to improve the content validity of the instrument. Because the study's supervisors were asked for their input to ensure the instrument's validity, the content validity of the instrument was improved.

Criterion validity is the process of forecasting future or current performance by connecting test results with another criterion that is relevant to the situation. According to Sekeran (2003), criterion validity is shown when a test is able to categorize people in a reliable manner in accordance with the criteria that was used to create predictions about those persons. To elaborate, it may correspond with predetermined standards or other defined measures of comparison frameworks (Zikmund, 2010). The researchers were able to do this by projecting the results of the study to the whole population from whom the study's sample was obtained.

Examining a hypothesis's construct validity is one method for determining whether or not it is plausible while taking into account the presumptions that are implicit in a

research (Zikmund, 2000). According to Straub et al. (2004), the theoretical underpinning of a measuring instrument is what constitutes the construct validity of the instrument. Because of this, it is necessary for the instruments to make use of already established theoretical frameworks or notions.

Through the application of this research, construct validity was ensured by the generation of dynamic capacity dimensions using the existing body of knowledge. A research of pertinent theoretical writings provided support for this review. As a direct consequence of this, the revised questionnaire instrument was congruent with the objectives of the research. In addition, the findings of the pilot research were used in the process of refining the questionnaire.

### **3.6.5 Data Collection Procedure**

A method that has been developed for gathering and measuring data on aspects or variables of interest, in a methodical fashion that enables one to answer specific research questions, test hypotheses, and evaluate outcomes is referred to as a data collecting technique (Wilson, 2010). A methodology for gathering and measuring data on characteristics or variables of interest is known as a data collection technique. The researcher can reduce the possibility of errors during the research process by creating effective tools for gathering information and outlining precise instructions for their use.

The researcher was provided with a verification letter for the data collection that was delivered by the institution. In addition to this, it is intended to submit an application for a research license to the National Commission for Science, Technology, and Innovation. The data collection approach known as "drop-off and pick-up" was used to collect the questionnaires one week after the respondents had dropped them off at the designated location. They had sufficient time to respond to each question as a result of this.

### **3.7 Data Processing and Analysis**

The data that were obtained were edited, coded, and entered into Statistical Package for the Social Sciences (SPSS) Version 21, which aided in the data analysis process. This inquiry yielded both qualitative and quantitative pieces of information, both of

which were obtained. For the purpose of analyzing the quantitative data, both descriptive and inferential statistical approaches were used.

The researcher relied on both descriptive statistics and inferential statistics while carrying out this research. In order to evaluate the quantitative data, descriptive statistics such as frequency distribution tables, measures of central tendency (the mean), measures of variability (the standard deviation), and measures of relative frequencies were used. The inferential statistics are held together by the sturdy skeleton of correlation and regression analysis. A regression model was applied so that we could find out how the various components were related to one another. There were offered representations of the numerical information in tabular, graphical, and visual formats. The qualitative information that was collected from the free-form questions was categorized into overarching themes that were in keeping with the objectives of the research, and it was presented in prose alongside statistical data.

The model was in the following form:

$$Y = \beta_0 + \beta_1 \chi_1 + \beta_2 \chi_2 + \beta_3 \chi_3 + \beta_4 \chi_4 + \varepsilon$$

Where: Y Denotes the Strategy implementation by commercial banks in tier one in Kenya

$\chi_1$  Denotes the Adhocracy culture

$\chi_2$  Denotes the Clan culture

$\chi_3$  Denotes the Market culture

$\chi_4$  Denotes the Hierarchical culture

$\beta_0$  Denotes the constant

$\beta_{1-n}$  = the regression coefficient or change included in Y by each  $\chi$

$\varepsilon$  = error term

### **3.7.1 Diagnostic and Specification Tests**

Diagnostic tests were utilized in order to test the hypotheses of the research, and this was accomplished by performing the various tests that are listed below.

#### **3.7.1.1 Multicollinearity**

The term "multicollinearity" refers to a measurement that determines whether or not the independent variables are closely connected to one another. For the aim of determining whether or not multicollinearity occurs, the variance inflation factor (VIF) will be employed as the evaluation tool. The Variance Inflation Factor (VIF)

was used by the researcher so that she could test for multicollinearity. A VIF for all of the independent variables that is less than three (VIF 3) suggests that multicollinearity is not an issue, whereas a VIF that is more than ten (VIF 10) indicates that multicollinearity is a problem. When the assumption is broken, it leads to an increase in the standard errors. The accuracy of the estimate coefficient is reduced when multicollinearity is present, which in turn reduces the statistical capacity or power of the regression model.

#### **3.7.1.2 Normality test**

The data that was collected were subjected to a normality test in order to ensure that the data that was obtained is accurate and reliable. Both the Kolmogorov-Smirnov test and the Shapiro-Wilk test were used in order to examine the normality of the data. According to Saunders and Thornhill (2012), a normal distribution may be inferred from the data when the probability is larger than 0.05. Abusing the normalcy assumption may have a number of negative effects, despite the fact that doing so does not lead to inefficiency or bias in the models of regression. It is only relevant for the calculation of the p values for testing significance, but this is the only factor that is taken into consideration when the size of the sample is relatively small.

#### **3.7.1.3 Heteroscedasticity**

A test for heteroscedasticity was carried out in order to determine whether or not the error term was consistent all throughout the data. In the research, the null hypothesis of the Breusch-Pagan/Cook-Weisberg test was that error terms have a constant variance (should be homoscedastic). This hypothesis was tested using the Breusch-Pagan/Cook-Weisberg test. When one of the presumptions is shown to be incorrect, there is a greater likelihood that the results of the statistics should be disregarded. This effect occurs due to the fact that heteroscedasticity has a tendency to raise the variance of the coefficient estimates, despite the fact that the OLS approach fails to detect the increase.

#### **3.7.1.4 Linearity**

The connection between the two variables is said to be linear when it can be represented by a straight line. P-P plots are used extensively to analyze the skewness

of a distribution. These plots compare two cumulative distribution functions and determine the degree to which two different data sets agree with one another.

### **3.8 Legal and Ethical Considerations**

According to Creswell (2019), Securing the well-being and security of those taking part in the research should be the primary ethical responsibility of the study's participants. Caution was used while disseminating the data collection tools, and respondents were provided with information on the objectives and justifications of the study. Before any questions were sent, permission to make use of the information was sought from the participants. When the survey was being distributed, the participants' right to remain anonymous was always respected. Before any data collecting starts, the participants in the study were given a rundown on the aims and procedures of the research. In order to preserve the respondents' right to remain anonymous, the poll did not inquire about their identities. The findings were reported without any changes being made to the respondents' genuine responses.

FPIC, which stands for "Free, Prior, and Informed Consent," was used with the goal of achieving full openness. Respondents were told of the nature of the study, its objective, the techniques employed, the expected advantages to their organizations and other important stakeholders, the likelihood of any realistic dangers envisioned, the lack of comfort, and the stress, as well as the choice of not taking part in research. The researcher made themselves available to the respondents so that they could answer their inquiries and solve their issues. Each questionnaire was accompanied by a cover letter that explained the goal of the study. The study did not start until a consent from Africa Nazarene University was gained. This shed light on the relevance of the study as well as the value it gave. In addition, a letter of approval from NACOSTI in order to collect the data was also required and was sought from the body before any research work commenced.

## CHAPTER FOUR

### DATA ANALYSIS AND FINDINGS

#### 4.1 Introduction

This chapter provides a summary of the results as well as the conversations that followed. The chapter is organized in a way that is consistent with the goals of the research. During the process of data analysis, both descriptive analysis and inferential analysis were used.

##### 4.1.1 Response Rate

131 of the respondents had their questionnaires filled out and returned, out of a total of 150 that were sent to the respondents (as stated in table 4.1). Given that Mugenda & Mugenda (2003) considers any response rate that is more than 70% to be outstanding, this particular response rate of 87.3% was deemed to be enough for the data analysis and was thus judged to be satisfactory.

**Table 5**

##### Response Rate

The response rate is as shown in table 5 below.

<b>Questionnaires issued</b>	<b>Frequency</b>	<b>Percentage</b>
Questionnaires filed and returned	131	87.3
Questionnaires not returned	19	12.7
Total	150	100.0

##### 4.1.2 Reliability Results

Cronbach's alpha was used in the research so that it could be ascertained whether or not the findings might be trusted. Cronbach's alpha was used to conduct an analysis to determine the degree to which the results may be trusted. The results of Cronbach's alpha analysis are presented in Table 6.

**Table 6**

##### Reliability Analysis

<b>Variable</b>	<b>Items No</b>	<b>Cronbach's Alpha</b>	<b>Verdict</b>
Adhocracy Culture	6	0.705	Accepted
Clan Culture	7	0.724	Accepted
Market Culture	7	0.706	Accepted

Hierarchical Culture	9	0.815	Accepted
Performance Management	7	0.720	Accepted

Through the use of a pilot study, the reliability and validity of the research tools were assessed, as shown in table 6, and it was discovered that hierarchical culture had the highest dependability (0.815), followed by clan culture (0.724), performance management with reliability of 0.720, market culture with a reliability of 0.706, and finally adhocracy culture with a reliability of 0.705. According to the results, the Cronbach's alpha for all of the variables was more than the cut off value of 0.7, which indicates that the instrument was both trustworthy and valid.

## 4.2 Demographic information

This section displays the demographic information of the respondents, which includes the respondent's level of education, the length of service and the amount of time the respondent has spent being engaged in strategic management concerns in professional practice.

### 4.2.1 Current Education Level

It was requested of the respondents that they list their highest level of education completed. This was requested with the goal of determining the participant's level of competency in responding to the study questions. Table 7 contains information relative to the highest educational level.

**Table 7**

#### Current Education Level

Education Level	Frequency	Percentage
Diploma	32	24
Graduate	71	54
Masters	25	20
PhD	3	2
<b>Total</b>	<b>131</b>	<b>100</b>

According to the findings, as shown in table 7, the majority of respondents (54%) had a bachelor's degree, while 24% of respondents stated that they had a diploma certificate, 20% of respondents indicated that they had a master's degree, and 2% of respondents indicated that they had a PhD. According to the findings of the study,



respondents had a high level of education, which suggests that they were easily able to answer the questions posed by the research equation.

#### 4.2.2 Period of Service

It was requested of employees that they elaborate on the length of time that they had been employed in the banking sector. The participants' knowledge of management methods in this business was evaluated based on the information requested, which was crucial information.

**Table 8**

#### **Period of Service**

<b>Period of Service</b>	<b>Frequency</b>	<b>Percentage</b>
Less than 1 year	13	9.9
1-5 years	20	15.3
6-10 years	46	35.1
Over 10 years	52	39.7
<b>Total</b>	<b>131</b>	<b>100.0</b>

According to the results of the survey, which are summarized in Table 8, the majority of respondents (39.7%) had worked in the industry for more than 10 years, 35.1% of the respondents stated that they had worked there for 6-10 years, 15.3% of the respondents indicated that they had worked there for 1-5 years, and 9.9% of the respondents indicated that they had worked there for less than a year. According to the data, the great majority of the participants had served for a significant amount of time, which suggests that they were in a position to deliver trustworthy information based on their extensive expertise.

#### 4.2.3 Position Held by the Participant

In addition, the survey asked those who participated to identify their current work title. The analysis of the replies revealed that the participants held a variety of positions, such as department heads, human resource managers, and operations personnel.

#### 4.2.4 Duration of Involvement in Strategic Management Matters

It was requested of the participants that they provide an estimate of how long they had been engaged in issues pertaining to strategic management during the course of their careers. Table 9 provides an overview of the findings obtained.

**Table 9**

#### **Duration of Involvement in Strategic Management Matters**

<b>Duration of Involvement</b>	<b>Frequency</b>	<b>Percentage</b>
1-5 years	27	20.6
6-10 years	10	7.6
10-15 years	42	32.1
Over 15 years	52	39.7
<b>Total</b>	<b>131</b>	<b>100.0</b>

According to the conclusions of the survey, as shown in table 9 the data reveals that the majority of respondents (39.7%) have been active in issues pertaining to strategic management for more than 15 years, 32.1% of the respondents indicated 10-15 years, 20.6% of the respondents indicated 1-5 years, and 7.6% of the respondents indicated 6-10 years. According to the results, the majority of the participants had been active in issues pertaining to strategic management for a long amount of time. This indicates that they were in a position to deliver trustworthy information based on their extensive expertise because of the breadth of their involvement.

#### 4.3 Influence of Adhocracy Culture on Strategy Implementation by Commercial Banks

The study sought to determine the extent to which adhocracy culture influence strategy implementation by Commercial banks in tier one in Kenya.

**Table 10**

#### **Influence of Adhocracy Culture on Strategy Implementation**

<b>Rating</b>	<b>Frequency</b>	<b>Percentage</b>
Very Great Extent	30	22.9
Great Extent	55	42.0
Moderate Extent	34	26.0
Little extent	12	9.2
<b>Total</b>	<b>131</b>	<b>100.0</b>

According to the findings of the research, which are presented in Table 10, the vast majority of participants indicated that adhocracy culture has a significant impact on the implementation of strategy by commercial banks in Kenya's tier one, with 42.0% of respondents indicating that this is the case, 26.0% of respondents indicating that this has a moderate impact, 22.9% of respondents indicating that this has a very significant impact, and 9.2% of respondents indicating that this has a minimal impact. In light of this, it can be deduced that the culture of adhocracy has a significant amount of influence on the implementation of strategy by tier-one commercial banks in Kenya.

After reading the following assertions about the culture of adhocracy in their workplace, respondents were asked to evaluate how they agreed or disagreed with each statement.

**Table 11**

**Influence of Adhocracy Culture on Strategy Implementation**

<b>Statements</b>	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Std. Dev</b>
Creativity among staff is highly valued at this financial institution.	131	2.00	5.00	4.10	0.54
This bank provides its employees with enough support for the growth of their entrepreneurial talents.	131	3.00	5.00	4.14	0.59
This bank's workplace can accommodate all employees with a variety of socioeconomic and biological characteristics.	131	2.00	5.00	4.27	0.57
This commercial bank strongly promotes and supports a culture of continuous learning among its personnel.	131	3.00	5.00	4.05	0.60
Since the commercial banking industry operates in a dynamic environment, its employees are adaptable to organizational changes that arise.	131	2.00	5.00	4.16	0.62
Based on employee duties, power is distributed and flows from one person to another or from one team to another.	131	2.00	5.00	4.21	0.66

Source: (Survey Data, 2023)

According to the findings in Table 11, the majority of the participants agreed with the statements that the working environment of their bank is adaptable to all employees with diverse socioeconomic and biological features (M= 4.27 SD=0.57), Depending on the employee's function, authority is decentralized and flows from one person to

another or from one team to another. (M=4.21 SD=0.66), and that due to the constantly changing business climate, commercial bank workers are adaptable to organizational changes that arise. (M=4.16 SD=0.63). These research results agree with the conclusion reached by Tseng (2019) in his study, which found that in companies with an adhocracy culture, choices are made relatively fast in accordance with the requirements of the situation at hand.

Also, respondents were in agreement that the majority of banks adequately supported the development of entrepreneurial skills among their employees (M=4.14 SD=0.59), that commercial banks highly encouraged creativity among their employees (M=4.10 SD=0.54), and that commercial banks highly encouraged and supported a culture of continuous learning among their employees (M=4.05 SD=0.60). This study is in agreement with the results of research done by Haffar, Al-Karaghoul, and Ghoneim (2017), which found that an adhocracy culture supported the originality and creation of new ideas in the process.

#### **4.4 Influence of Clan Culture on Strategy Implementation by Commercial banks**

The study sought to determine the extent to which clan culture influence strategy implementation by Commercial banks in tier one in Kenya.

**Table 12**

#### **Influence of Clan Culture on Strategy Implementation**

<b>Clan Culture</b>	<b>Frequency</b>	<b>Percentage</b>
Very Great Extent	38	29.0
Great Extent	51	38.9
Moderate Extent	37	28.2
Little Extent	5	3.8
<b>Total</b>	<b>131</b>	<b>100.0</b>

According to the findings of the research, which are presented in Table 12, the majority of the participants (38.9%) showed that the clan culture has a substantial impact on how Kenya's top commercial banks implement their strategies, 29.0% of the respondents indicated that clan culture has a very significant influence, 28.2% of the respondents indicated that clan culture has a moderate influence, and 3.8% of the respondents indicated that clan culture has a little influence. This suggests that clan

culture has a significant amount of influence on the implementation of strategy by commercial banks that are tier one in Kenya.

Respondents were asked to rate their opinion regarding the following statements on clan culture in their organization.

**Table 13**

**Influence of Clan Culture on Strategy Implementation**

<b>Statements</b>	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Std. Dev</b>
A meaningful relationship exists between me and my employer	131	2.00	5.00	4.24	0.54
Clan culture has significant relationships with the implementation process	131	2.00	5.00	4.24	0.64
I will fulfil my mandate in accordance with the rules because I am devoted to my job and the bank.	131	2.00	5.00	4.31	0.58
This bank provides suitable care for employees in accordance with the requirements of their jobs.	131	3.00	5.00	4.09	0.63
At a commercial a financial institution, employee participation in task management and completion is established.	131	3.00	5.00	4.11	0.64
At this financial a financial institution, leadership strongly promotes and supports employee teamwork.	131	2.00	5.00	4.24	0.76
This commercial the financial institution's management is committed to helping its personnel grow in their capacities.	131	4.00	5.00	4.48	0.50

Source: (Survey Data, 2023)

According to the descriptive results shown in Table 13, Most of the respondents concurred with the assertions that the leadership of their financial institution continued to be committed to its workers' capacity development. (M=4.48 SD=0.50), that the majority of staff were devoted to their jobs and the bank, carrying out their duties as directed (M= 4.31SD=0.58), and that the management of many financial institutions strongly fostered and supported staff collaboration. (M= 4.24 SD=0.76). These results agree with the conclusion that Rajasekar (2014) reached in his study, which was that clan culture results in a cohesive, tightly knit community in which members have a sense of belonging and watch out for one other.

Additionally, respondents were in agreement that there is a meaningful relationship between employees and employers (M=4.24 SD=0.54) and that clan culture has

significant relationships with the implementation process ( $M=4.24$   $SD=0.64$ ). This study deduction is in line with the results that Clan culture leads to a constructive atmosphere where everyone works together for the welfare of the company that was published by Trehan and Trehan (2019). In a similar vein, Phang (2019) said that clan culture may facilitate smoother collective decision-making since it encourages individuals to consult one another in order to determine what's best for the community.

In addition, the survey found that workers' engagement in task management and delivery is well established in the majority of financial institutions in Kenya ( $M=4.11$   $SD=0.64$ ) and that banks appropriately fostered their personnel to meet the demands of their duties ( $M=4.09$   $SD=0.63$ ). Both of these findings were supported by statistical significance. This study is in agreement with the results of research conducted by Kamau and Muraguri (2020) In organizational culture, people are often happy to be members of the group; this may lead to a very powerful group identity, which is crucial for the advancement of organizational plans and processes.

#### **4.5 Influence of Market Culture on Strategy Implementation by Commercial banks in tier one in Kenya**

The goal of the study was to ascertain how much market culture affects how commercial financial institutions in Kenya's Tier 1 execution of their strategies.

**Table 14**

#### **Influence of Market Culture on Strategy Implementation**

<b>Market Culture</b>	<b>Frequency</b>	<b>Percentage</b>
Very Great Extent	45	34.4
Great Extent	50	38.2
Moderate Extent	31	23.7
Little Extent	5	3.8
Total	131	100.0

According to the findings of the research presented in Table 4.10, the majority of respondents (38.2%) indicated that market culture has a significant influence on the implementation of strategy by commercial banks in Kenya's tier one, while 34.4% of respondents indicated that market culture has a very significant influence, 23.7% of respondents indicated that market culture has a moderate influence, and 3.8% of

respondents indicated that market culture has a little influence. This suggests that market culture has a substantial influence on the implementation of strategy by tier one banks in Kenya.

Respondents were asked to rate their opinion regarding the following statements on market culture in their organization.

**Table 16**  
**Influence of Market Culture on Strategy Implementation**

Statements	N	Min	Max	Mean	Std. Dev
A strategic plan (strategic plan) was produced as a result of the formality the bank used in its plan of action.	131	3.00	5.00	4.16	0.71
Banks utilize a variety of techniques to instil culture, including change management, staff education, advances in technology, and culture transformation, among others.	131	2.00	5.00	4.34	0.52
Competition encourages workers to coordinate their efforts and implement organizational structure improvements.	131	2.00	5.00	4.06	0.79
The smooth operation of a company's operations and the effectiveness of its commercial operations are impacted by technological advancements.	131	3.00	5.00	4.09	0.68
The employees' task is made easier by technological advancement, and results are obtained quickly.	131	2.00	5.00	4.05	0.75
As technology changes, new products and services must be developed to attract clients and satisfy their needs.	131	3.00	5.00	4.29	0.63
More money is invested on capabilities specific to the business's strategy as a result of commitment to focus.	131	3.00	5.00	4.13	0.65

*Source: (Survey Data, 2023)*

The findings presented in Table 16 demonstrated that various approaches are utilized by banks in the process of inculcating culture. These strategies include management of change, employee training, technological advancements, and cultural transformation, among many. (M= 4.34 SD=0.52). As a result of technological advancements, new products and services must be developed that will attract clients and satisfy their needs. (M= 4.29 SD=0.63). Additionally, the results demonstrated that the formality adopted by the bank in its strategic planning resulted in these

research findings are in agreement with the conclusion reached by Hollund and Olsen (2017) in their study. They found that when organizations embrace a market culture, they are able to react more quickly to external factors, which can give them a competitive advantage.

Additionally, respondents were in agreement that a commitment to focusing on organization strategy leads to an increase in investments in capabilities that are specific to strategy (M=4.13 SD=0.65) and that technological advancements within a company have an impact on how smoothly operations function and how productive business activities are (M=4.09 SD=0.71). Martin (2018) came to similar conclusions and found that the degree to which an entity participated in market culture had a significant impact on the success of a company.

In addition, the research found that employees benefit from competitive pressure because it makes it easier for them to coordinate their efforts and implement changes to the organization structure (M = 4.06 SD =0.79), and that employees benefit from improvements in technology because it makes their work easier and results are achieved in a shorter amount of time (M = 4.05 SD =0.75). Because the entire organization is externally focused on key objectives, which employees get behind and work towards, businesses that boast market cultures are profitable and successful, according to the findings of Adams and Boakye (2018). This research deduction goes hand in hand with those findings.

Overall, the means indicate agreement among the respondents on the various aspects related to culture, technology, and strategy in banks. The standard deviations suggest some degree of variability in the responses, but the values generally indicate a moderate level of agreement among the respondents. These findings align with previous studies mentioned in the text, providing further support for the conclusions drawn.

#### **4.6 Influence of Hierarchical Culture on Strategy Implementation by Commercial banks**

The study sought to determine the extent to which hierarchical culture influence strategy implementation by Commercial banks in tier one in Kenya.



**Table 17****Influence of hierarchical Culture on Strategy Implementation**

<b>Hierarchical Culture</b>	<b>Frequency</b>	<b>Percentage</b>
Very Great Extent	42	32.1
Great Extent	69	52.7
Moderate Extent	20	15.3
<b>Total</b>	<b>131</b>	<b>100.0</b>

According to the findings of the research, which are presented in Table 17, the majority of the participants indicated that the way Kenya's top commercial banks implement their strategies is heavily influenced by their hierarchical culture. with 32.1% of the respondents indicating that it has a very significant influence and 15.3% of the respondents indicating that it has a moderate influence. This suggests that hierarchical culture has a significant impact on the degree to which commercial banks in Kenya's tier one affect the execution of strategy.

Respondents were asked to rate their opinion regarding the following statements on hierarchical culture in their organization.

**Table 1****Influence of hierarchical Culture on Strategy Implementation**

<b>Statements</b>	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Std. Dev</b>
Top management are at the forefront of the quality management a strongly promote quality management and improvement activities.	131	2.00	5.00	4.12	0.70
Top management's dedication to the strategic direction significantly aids in putting organizational plans into action	131	2.00	5.00	4.27	0.54
A culture that is adaptable promotes change and improves the efficiency of strategy implementation.	131	2.00	5.00	4.02	0.80
A crucial ingredient in the formulation of a strategy is a flexible organizational culture..	131	3.00	5.00	4.27	0.63
The prerequisites for employment in this bank don't seem too onerous to me.	131	2.00	5.00	4.12	0.74
The bank's policy directives align with those for operational effectiveness.	131	2.00	5.00	4.16	0.72
This bank runs efficiently with few operational hiccups.	131	2.00	5.00	4.16	0.69

The way this bank goes about doing various activities is clearly laid out in the rules.	131	2.00	5.00	4.27	0.71
The missions and aspirations of the bank are governed by transparent and well-defined processes.	131	3.00	5.00	4.37	0.61

Source: (Survey Data, 2023)

The findings presented in Table 18 demonstrated that the most banks have distinct and well-defined procedures driving their objectives and visions. (M=4.37 SD=0.61), that banks have detailed policies on how they tackled various activities (M=4.27 SD=0.71), and that a Flexible organizational culture is a key component in the recipe for execution of strategies. (M=4.27 SD=0.63). These research results support the conclusion reached by Wroblewski (2017) in his study, which is that hierarchical cultures have an effect on the way tactics are implemented.

Respondents also agreed that the top level management's commitment to strategic direction is a major factor in the organization's success in implementing its strategies (M=4.27 SD=.54), that this bank's policy guidelines are in line with the requirements for operational efficiency (M=4.16 SD=0.72), and that this bank runs smoothly with only a few operational hiccups (M=4.16 SD=0.69). This study conclusion is in line with the results of Al-Ali (2017), who discovered that firms with a hierarchical culture performed better than their rivals or competitors who had the traits of a hierarchical culture mixed with a differentiating attribute.

The study also revealed that the requirements for work involvement in this financial institution are not too complicated for workers. (M=4.12 SD=0.74), that top management are at the forefront of the quality management and strongly promote quality management and improvement activities (M=4.12 SD=0.70), and that a flexible culture allows change and increases the effectiveness of strategy execution (M=4.02 SD=0.80). This study agrees with the results of research done by Mwaura (2017) that with hierarchical cultures, the buy-in of top-level management to the strategic direction of the business is a crucial component in the effectiveness of strategy implementation.

#### **4.7 Strategy Implementation**

The study sought to determine the extent to which strategy implementation influence performance of Commercial banks in Kenya.

**Table 19****Influence of Strategy Implementation on performance of Commercial banks**

	<b>Frequency</b>	<b>Percentage</b>
Very Great Extent	40	30.5
Great Extent	69	52.7
Moderate Extent	22	16.8
Total	131	100.0

Source: (Survey Data, 2023)

According to the findings of the research that are presented in Table 19, the majority of the participants indicated that strategy implementation has a significant influence on the performance of commercial banks to some degree, with 30.5% of the respondents indicating that it has a very significant influence, and 16.8% of the respondents indicating that it has some degree of influence. This suggests that the manner in which a strategy is implemented has a significant impact on the success of commercial banks.

**Table 20****Statements Relating on Strategy Implementation**

<b>Statements</b>	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Std. Dev</b>
Implementing a strategy requires organizing business resources and inspiring employees to meet organizational goals.	131	4.00	5.00	4.44	0.50
Given an intensifying competitive environment, the critical determinant in the success and doubtlessly, the survival of the organization is the successful implementation of strategies	131	2.00	5.00	4.05	0.81
Strategy implementation is a mere by product or invariable consequence of planning.	131	3.00	5.00	4.31	0.57
The failure rate of the intended approaches is the fatal flaw in strategy implementation.	131	2.00	5.00	4.02	0.73
Strategy execution is a multidimensional and intricate organizational process, and only by adopting a broad perspective can a wide range of potentially insightful information be produced.	131	3.00	5.00	4.15	0.69
The performance of each worker has an impact on how a strategic strategy is implemented.	131	2.00	5.00	4.17	0.67
The organization's performance metrics	131	2.00	5.00	4.17	0.68

---

have an impact on how its strategic strategy is implemented.

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Source: (Survey Data, 2023)

According to the findings that are presented in Table 20, the majority of the participants concurred with the statements that strategy implementation involves organization of the firm resources and motivation of the staff to achieve organization objectives ( $M = 4.44$   $SD = 0.50$ ), strategy implementation is a mere by product or invariable consequence of planning ( $M = 4.31$   $SD = 0.57$ ), and that performance measures used by the organization affect implementation of strategic plan ( $M = 4.17$   $SD = 0.68$ ). These research results are in agreement with the conclusion that Schneider (2021) reached in his study, which was that businesses that concentrate their efforts explicitly on their corporate cultures are more successful, since cultures that are concentrated generate higher financial returns.

In addition, respondents were in agreement that the performance of individual employees has an effect on the implementation of the strategic plan ( $M = 4.17$   $SD = 0.67$ ) and that implementing a plan is a complicated organizational process with many moving parts, and that only by having a broad perspective can a variety of potentially useful ideas be developed ( $M = 4.15$   $SD = 0.69$ ). The conclusions drawn from this study are consistent with those reached by Marcoulides and Heck (2019), who discovered that corporate culture has a significant direct influence on the manner in which financial institutions put their strategies into action.

In addition, the study discovered that, in the context of a more fiercely competitive environment, the organization's success is mostly determined by how well its strategies are implemented. ( $M = 4.05$   $SD = 0.81$ ), and that the most significant obstacle to the successful implementation of strategies is the low success rate of intended strategies ( $M = 4.02$   $SD = 0.73$ ). The results of this study agree with those of Santos (2020), who discovered that by integrating an organization's plan of action execution procedure with its organizational environment, change is less disruptive and support for the modifications being implemented is also increased.

#### **4.8 Diagnostic Tests**

Model specification tests were conducted to make sure of the suitability of the data for the primary assumptions of classical linear regression model.

#### 4.8.1 Test for Normality

The Shapiro Wilk and Kolmogorov tests were used to assess for normality of the data. Table 21 show the results.

**Table 21**  
**Test for Normality**

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Adhocracy culture	.180	130	.35	.847	130	.527
Clan culture	.113	130	.57	.949	130	.663
Market culture	.092	130	.23	.969	130	.369
Hierarchical culture	.183	130	.19	.833	130	.213

a. Lilliefors Significance Correction

The Kolmogorov-Smirnov and Shapiro-Wilk tests were used in order to check for normality in the data. The data did not conform to the normal distribution, which was the null hypothesis. Because the critical p-value for this test is 0.05, the researcher would have to reject the null hypothesis if the recorded p-value was higher than the critical value. As can be seen in the aforementioned Table 20, the results of both of these tests indicated that the p-values were higher than the critical threshold. As a result, the researchers decided not to support the null hypothesis since the data utilized in the study had a normal distribution, which makes it appropriate for statistical analyses such as analysis of variance, regression analysis, and Pearson's correlation.

#### 4.8.2 Testing for Multicollinearity

Devising a unique regression model can be challenging when the predictors exhibit a perfect linear relationship with each other. This phenomenon, known as "collinearity," occurs when the variables demonstrate nearly identical linear combinations (Field, 2009). When more than two variables are involved, it is referred to as multicollinearity. However, there are cases where one variable can be substituted for another. High values of R-squared, coupled with a lack of significance or minimal significance on the independent variables, often indicate the presence of multicollinearity. Additionally, multicollinearity is likely when both the Variance Inflation Factor (VIF) and tolerance values exceed 10, or when both of these values surpass 0.2, respectively.

To evaluate multicollinearity, researchers calculate the t statistic by dividing the coefficient by the standard error. The t dynamic is then derived using the same principle. It is important to note that the t statistic and the p statistic always yield opposite values.

**Table 22**  
**Testing for Multicollinearity**

<b>Variable</b>	<b>VIF</b>	<b>1/VIF</b>
Adhocracy culture	1.68	0.596159
Clan culture	1.58	0.63468
Market culture	1.56	0.640479
Hierarchical culture	1.51	0.6623
<b>Mean VIF</b>	<b>1.58</b>	

The VIF was used to test for multicollinearity in order to determine the degree to which the variance was artificially inflated, as can be seen in Table 22. Since this value was less than 10, it also indicates that there was no multicollinearity in the data, as pointed out by (Field, 2009). The results showed that the VIF values mean was at 1.58, which came close to 1, demonstrating that the variables variance was inflated minimally. Since this value was less than 10, it also indicates that there was no multicollinearity in the data. As a result, there are no issues with multicollinearity across any of the variables based on the VIF values. If the issue of multicollinearity can be solved, then the variables have the potential to take on more relevance. Altering the variables, increasing the size of the sample, and removing variables are all ways to get rid of multicollinearity. However, removing variables should only be done as a last option since the variable that is deleted can be vital to explaining the dependent variable (Field, 2009).

**Table 23 Heteroskedasticity Test**

	<b>LM</b>	<b>Sig</b>
Breusch–Pagan	.936	.678

A test of heteroscedasticity is used to investigate whether or not the error term is consistent all throughout the data. The white test was carried out in accordance with the procedures described in Table 23. By making the appropriate corrections to the standard errors, the problem was fixed. Based on the data, the Breusch–Pagan p-value

was more than 0.05, which indicates that the null hypothesis that the residuals are homoscedastic cannot be rejected. Because the value of the Lagrange multiplier (LM) was relatively close to 0.95, it can be concluded that the regression did not breach the assumption of homoscedasticity. As a result, we are operating under the assumption that there is no evidence of heteroscedasticity in the data that was utilized for the research.

### 4.8.3 Linearity

The diagram below shows the plot of Regression Standardized Residuals against Regression Predicted Values.

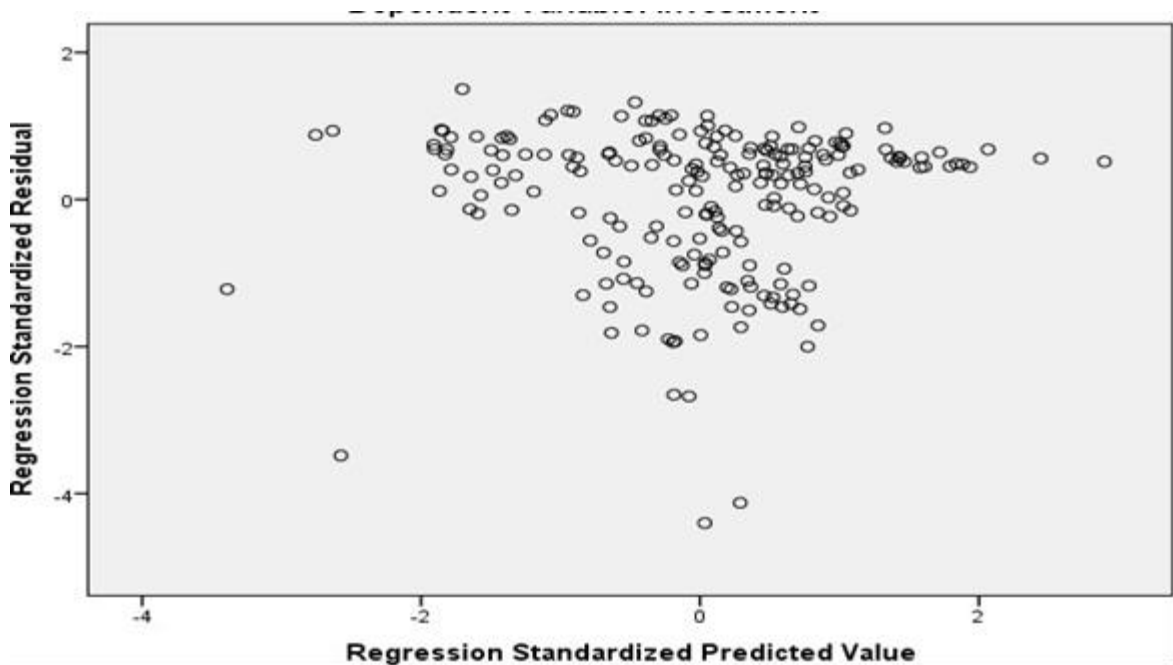


Figure 4.1 Linearity

In Figure 4.1, the plot of regression standardized residuals versus regression predicted values is displayed. By visually examining the plot, several observations can be made. Firstly, the unstandardized residuals appear to be uniformly distributed around the horizontal zero mark on the y-axis. This indicates that, on average, the residuals are close to zero and do not exhibit a distinct pattern or trend.

Furthermore, the absence of any pronounced outliers in the residuals suggests that the observed values closely align with the values predicted by the linear regression model. The closeness between the observed values and the linearly predicted plot

indicates that the linearity assumption holds for the relationship between the variables when they were initially observed.

It's important to note that this analysis is based on visual inspection and can provide initial indications of the linearity assumption. To further assess the linearity of the relationship and draw more conclusive results, additional statistical tests and diagnostics, such as evaluating the coefficient of determination (R-squared) or conducting formal hypothesis testing, should be considered.

#### 4.9 Inferential statistics

The study used inferential statistics to make inferences based on probability.

##### 4.9.1 Correlations Analysis

Following the descriptive analysis, the research conducted a Pearson correlation analysis to determine whether or not there was a linear association between the explanatory variables and the predicted variables or among the explanatory variables themselves. Therefore, it helps in determining the strengths of association in the model, or more specifically, which variable best explained the relationship between corporate culture and the implementation of strategy by commercial banks in Kenya's tier one. The findings are shown in Table 24.

**Table 24**  
**Correlation Test**

		Strategy impleme ntation	Adhocra cy culture (X <sub>1</sub> )	Clan culture (X <sub>2</sub> )	Market culture (X <sub>3</sub> )	Hierarch ical culture (X <sub>4</sub> )
Strategy implementation (Y)	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	131				
Adhocracy culture X <sub>1</sub>	Pearson Correlation	.630**	1			
	Sig. (2-tailed)	.000				
	N	131	131			
Clan culture (X <sub>2</sub> )	Pearson Correlation	.664**	.141	1		
	Sig. (2-tailed)	.000	.108			
	N	131	131	131		
Market culture (X <sub>3</sub> )	Pearson Correlation	.584**	-.147	-.093	1	
	Sig. (2-tailed)	.001	.093	.292		



	N	131	131	131	131	
Hierarchical culture (X <sub>4</sub> )	Pearson Correlation	.579**	-.226**	.037	.175*	1
	Sig. (2-tailed)	.001	.009	.673	.045	
	N	131	131	131	131	131

Source: (Survey Data, 2023)

Based on the correlation coefficients, we can interpret the relationships between the variables as follows:

Strategy implementation (Y) and Adhocracy culture (X<sub>1</sub>): There is a strong positive correlation ( $r = 0.630$ ,  $p < 0.001$ ) between strategy implementation and adhocracy culture. This suggests that as adhocracy culture increases, the effectiveness of strategy implementation also tends to increase.

Strategy implementation (Y) and Clan culture (X<sub>2</sub>): There is a strong positive correlation ( $r = 0.664$ ,  $p < 0.001$ ) between strategy implementation and clan culture. This indicates that as clan culture increases, the effectiveness of strategy implementation tends to increase.

Strategy implementation (Y) and Market culture (X<sub>3</sub>): There is a moderate positive correlation ( $r = 0.584$ ,  $p < 0.001$ ) between strategy implementation and market culture. This implies that as market culture increases, the effectiveness of strategy implementation tends to increase, although the relationship is not as strong as with adhocracy and clan cultures.

Strategy implementation (Y) and Hierarchical culture (X<sub>4</sub>): There is a moderate positive correlation ( $r = 0.579$ ,  $p < 0.001$ ) between strategy implementation and hierarchical culture. This suggests that as hierarchical culture increases, the effectiveness of strategy implementation tends to increase, although again, the relationship is not as strong as with adhocracy and clan cultures.

It is important to note that correlation coefficients only measure the strength and direction of the relationship between variables and do not imply causation. Other factors may also influence the effectiveness of strategy implementation. These correlations indicate the associations observed in the specific data set analysed.

#### 4.9.2 Regression Analysis

In this study, a multiple regression analysis was conducted to test the influence among predictor variables. The research used statistical package for social sciences (SPSS V

25.0) to code, enter and compute the measurements of the multiple regressions. The model summary is presented in the Table 25.

**Table 25**

**Model Summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted Square</b>	<b>R Std. Error of the Estimate</b>
1	.652 <sup>a</sup>	.425	.407	.32804

Source: (Survey Data, 2023)

In the study, the model fit was evaluated with the help of the coefficient of determination. The percentage of the total variation in the dependent variable that can be explained singularly or jointly by the independent variables is the modified R<sup>2</sup>, which is also referred to as the coefficient of multiple determinations. The model had an average adjusted coefficient of determination (R<sup>2</sup>) of 0.407, which indicated that the independent variables that were being studied (adhocracy culture, clan culture, market culture, and hierarchical culture) are responsible for explaining 40.7% of the variations in strategy implementation by commercial banks in tier one in Kenya. These cultures include market culture, hierarchical culture, and clan culture.

The study further tested the significance of the model by use of ANOVA technique. The findings are tabulated in Table 26.

**Table 26**

**Summary of One-Way ANOVA results**

<b>Model</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	10.028	4	2.507	23.297	.000 <sup>b</sup>
1 Residual	13.559	126	.108		
Total	23.587	130			

Source: (Survey Data, 2023)

The fact that the probability value of 0.000 was obtained from the results of the ANOVAs indicates that the regression model was significant in predicting the relationship between strategy implementation by commercial banks in tier one in

Kenya and the predictor variables (adhocracy culture, clan culture, market culture, and hierarchical culture), as it was less than  $\alpha=0.05$ .

In addition, the study used the coefficient table to determine the study model. The findings are presented in the Table 27.

**Table 27**  
**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	1.848	.385		4.799	.000
Adhocracy Culture (X1)	.438	.077	.399	5.656	.000
Clan Culture (X2)	.369	.078	.326	4.746	.000
Market Culture (X3)	.529	.114	.321	4.626	.000
Hierarchical Culture (X4)	.359	.084	.301	4.280	.000

Source: (Survey Data, 2023)

As per the SPSS generated output as presented in table above, the equation.

( $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$ ) becomes:

$$Y = 1.848 + 0.438 X_1 + 0.369X_2 + 0.529X_3 + 0.359X_4$$

Where Y = Strategy implementation by commercial banks in tier one in Kenya

The table displays the results of a regression analysis, indicating the unstandardized coefficients, standardized coefficients (Beta), t-values, and significance levels (Sig.) for each predictor variable (X1, X2, X3, X4) in relation to the dependent variable (Y). The unstandardized coefficients (B) represent the change in the dependent variable associated with a one-unit change in the predictor variable, while holding other variables constant.

The standardized coefficients (Beta) represent the change in the dependent variable associated with a one-standard deviation change in the predictor variable, allowing for a comparison of the relative importance of each predictor. The t-values assess the significance of the coefficients, indicating the likelihood of the observed relationship occurring by chance. The significance levels (Sig.) provide this information, with values less than .05 ( $p < .05$ ) generally considered statistically significant.

In this analysis:

- Adhocracy Culture (X1) has a significant positive relationship with the dependent variable (Y) (B = 0.438, Beta = 0.399, t = 5.656, p < .001).
- Clan Culture (X2) also has a significant positive relationship with the dependent variable (Y) (B = 0.369, Beta = 0.326, t = 4.746, p < .001).
- Market Culture (X3) has a significant positive relationship with the dependent variable (Y) (B = 0.529, Beta = 0.321, t = 4.626, p < .001).
- Hierarchical Culture (X4) has a significant positive relationship with the dependent variable (Y) (B = 0.359, Beta = 0.301, t = 4.280, p < .001).

These results suggest that all four predictor variables (adhocracy culture, clan culture, market culture, hierarchical culture) are positively and significantly related to the effectiveness of strategy implementation (the dependent variable). Each of these cultural factors appears to have a unique contribution to explaining the variance in strategy implementation, as indicated by their respective standardized coefficients (Beta).

#### **4.10 Reports from Key informants**

Below is an analysis of the Key informants.

##### **4.10.1 Description of Corporate Culture**

Interviewees were asked to describe their corporate culture, from the oral reports, managers indicate corporate culture served as a building block for all organizational processes, according to KI-2,

*“The firm’s corporate culture provides for a positive workplace environment where every employee feels accepted, valued, and has a sense of belonging. This climate is essential in Rowling out both long terms and short term strategic goals”.*

From their reports, most of the banks developed a positive culture by transparency in the workplace, encouraging professional development, Motivating employees, encouraging flexibility, fostering working relationships through collaboration, trust, conducive and inclusive work environments.

#### **4.10.2 Key pillars of the corporate culture**

Interviewees were required to indicate the foundation/key pillars of the corporate culture, from their description; their corporate culture was mainly anchored clan culture, adhocracy culture, hierarchy culture and market culture. As described by KI-3

*“these pillars affect the way employees interact with each other”* similarly KI-5, explained that *“these pillars drive firm’s strategy and defines the manner in which staff working there interrelate.”*

Reports also show that pillars of the corporate culture entail the summation of all the thousands of interactions, norms, and behaviours at a company. They serve as the vehicle through which employees can attain a meaningful work experience.

#### **4.10.3 Activities Undertaken by the Organization to Reinforce Corporate Culture**

Further, the research inquired on activities does which organization employed to reinforce its corporate culture, reports given by interviewees show that banks had instituted various measures to nature their corporate culture for instance; key informant KI-5 indicated that

*“We Celebrate values through actions, celebrate team members when their actions embody company values, we also Capture and create traditions that support our culture”.*

Similarly, KI-1 explained that;

*“The management makes sure that everyone has a channel to announce their successes and curiosities with the rest of the team”.*

Descriptive reports also show that banks align its organizational culture with its values and purpose or mission. Banks also periodically need to evaluated their strengths and weaknesses to identify areas for organizational culture improvement, they also strived to aligned their leadership and communication, mmeasured and plan for future initiatives.

#### **4.10.4 Role corporate culture in delivery of business objectives**

The researcher inquired whether corporate culture critical to delivery of business objectives, from the interviewee reports, all key informants concurred that corporate

culture is crucial since it can help with crucial business goals. According to key informant KI-5:

*“Corporate culture It defines company’s internal and external identity, “defines for you and for all others, how your organization does business, how your organization interacts with one another and how the team interacts with the outside world, specifically the customers, employees, partners, suppliers, media and all other stakeholders.”*

Key informant KI-5 added that organizational culture also has the potential to act as an aligning force that gets the implementation of strategic goal realistic. This implies that successful organizational culture brings together the people at your company and keeps them aligned. It also addresses both of organizational challenges by finding an appropriate balance based on company values.

#### **4.10.5 Role played by corporate culture in effective implementation of banks strategy**

Interviewees were required to clarify on the Role played by corporate culture in effective implementation of banks strategy, from their reports, all the informants concurred that corporate culture can have helped to make business stronger as it acted as conveyer belt between business processes and set expectations. As explained by KI-4:

*“Organizational culture can strongly affect the ability of a company to shift its strategic direction because it has a powerful influence on the behaviour of all employee”.*

Similarly, KI-6 explained that

*“Because organizational culture is a set of ideologies, symbols, and core values that influences how the firm conducts its business and helps regulate and control employees’ behaviour, it can therefore be a source of competitive advantage”.*

Descriptive further show that it is possible that a vibrant organizational culture is an increasingly important source of differentiation for firms to emphasize when pursuing strategic competitiveness and above-average returns.

#### **4.10.6 Corporate culture as enablers of effective strategy implementation**

The researcher inquired whether corporate culture serves as enablers of effective strategy implementation, as explained by KI-2, *“firms with a strong culture have a less variable performance”* this implies that corporate culture may serve as source of competitive advantage.

Similarly, KI-6 explained that

*“Strong corporate culture enhanced coordination and control of resources within firms, it improved goal alignment between a firm and its members and increased individual efforts and motivation”*.

Reports show that development of shared cooperative values within an organization could improve a firm return on investments and, in general, the corporate performance.

#### **4.10.7 Most effective corporate culture suited for strategy implementation in banks**

Participants in the interview were asked to identify the corporate culture that is most suited for the successful execution of strategy in banks. The results were met with a range of emotions from the participants in the study. According to several reports, the adoption of a certain culture cannot be universal and instead is contingent upon the features of the company. Examples include the current leadership style, as well as the purpose, vision, and values of the bank. The goal of the company, the atmosphere of the workplace, the procedures for internal communications, and the direction of the internal controls.

## CHAPTER FIVE

### DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter presents a summary of the study results, along with a discussion of those findings, a conclusion, and some suggestions. The chapter is structured according to the objectives of the study, which were to determine the influence of market culture on strategy implementation by commercial banks in tier one in Kenya, to determine the influence of clan culture on strategy implementation by commercial banks in tier one in Kenya, to establish the influence of adhocracy culture on strategy implementation by commercial banks in tier one in Kenya, and to assess the influence of hierarchical culture on strategy implementation by commercial banks in tier one in Kenya.

#### 5.2 Discussion of the Findings

The discussion of the findings should provide a comprehensive interpretation and analysis of the results obtained from the study. Based on the information provided, here are some brief notes on the discussion of the findings.

##### 5.2.1 Adhocracy Culture on Strategy Implementation

The findings of the research support the first goal, which aimed to examine the relationship between adhocracy culture and the execution of strategy in tier one commercial banks in Kenya. The substantial positive correlation coefficient of 0.630 indicates a strong association between adhocracy culture and strategy implementation. Furthermore, the significant value of 0.000 suggests that this correlation is statistically significant, further reinforcing the relationship. The regression model provides additional insights into the relationship. It indicates that if commercial banks in tier one were to increase their adhocracy culture by one unit, while keeping all other factors constant, their strategy implementation would improve by a factor of 0.439. This suggests that a more flexible and innovative organizational culture, characteristic of adhocracy, positively influences the successful execution of strategies.

The findings align with the research conducted by Nongo and Ikyanyon (2017), who also observed a substantial positive association between adhocracy culture and the flexibility of organizational strategic objectives. These similarities in findings



reinforce the validity and reliability of the current study's results. Overall, these findings emphasize the importance of fostering an adhocracy culture within tier one commercial banks in Kenya to enhance strategy implementation. Organizations that embrace flexibility, innovation, and adaptability are more likely to effectively execute their strategies and achieve their strategic objectives.

The descriptive results highlight that a significant number of Kenya's tier one commercial banks have implemented an adhocracy culture. This is evident in the observation that the majority of banks provide flexible work environments that can accommodate the diverse socioeconomic and biological characteristics of their employees ( $M = 4.27$ ,  $SD = 0.57$ ).

These findings align with the conclusions drawn by Tseng (2019) in their study, which emphasized that companies with an adhocracy culture make decisions quickly and effectively based on the demands of the situation at hand. Similarly, Zhang and Zhu (2017) found that an adhocracy culture enables leaders to rely on intuition and take prompt action in situations where extensive analysis is not advantageous. Moreover, the research findings indicate that a significant number of employees in tier one banks receive appropriate support to enhance their entrepreneurial skills. This finding is consistent with the results of the study conducted by Haffar, Al-Karaghoul, and Ghoneim (2017), which highlighted that an adhocracy culture fosters originality and the generation of new ideas. These findings collectively emphasize that the implementation of an adhocracy culture in tier one commercial banks in Kenya supports flexibility, quick decision-making, and the promotion of entrepreneurial skills among employees. This culture encourages innovative thinking, adaptability, and effective responses to changing business environments, ultimately contributing to the successful execution of strategies.

### **5.2.2 Clan Culture on Strategy Implementation**

The research findings reveal a significant and positive relationship between clan culture and the execution of strategy in tier one commercial banks in Kenya (correlation coefficient = 0.664, significant value = 0.000), supporting the second objective of the study. According to the regression analysis, a one-unit increase in clan culture, while holding other variables constant, would lead to a 0.369 improvement in strategy execution by tier one banks. This finding is consistent with

the argument put forth by Phang (2019), suggesting that clan culture facilitates smoother strategy implementation by fostering collaboration and collective decision-making for the benefit of the organization.

The descriptive results further indicate that the management of tier one commercial banks prioritizes the development of their employees' capabilities, and the majority of employees demonstrate loyalty to their job and the bank, delivering their mission as prescribed ( $M = 4.31$ ,  $SD = 0.58$ ). These findings align with the conclusion reached by Rajasekar (2014), which emphasizes that clan culture creates a cohesive and tightly knit community where members feel a sense of belonging and look out for one another.

Additionally, the descriptive analysis reveals that clan culture has strong connections to the implementation process, fostering strong relationships between employees and employers. This finding is in line with the research conducted by Trehan and Trehan (2019), who found that clan culture promotes a positive and collaborative atmosphere where everyone works together for the betterment of the company. Similarly, Phang (2019) suggests that clan culture facilitates smoother collective decision-making as individuals consult one another to determine what is best for the organization.

Overall, these findings highlight the importance of clan culture in tier one commercial banks, as it fosters collaboration, loyalty, and collective decision-making, all of which contribute to the successful execution of strategies.

### **5.2.3 Market Culture on Strategy Implementation**

The research findings demonstrate a significant and positive relationship between clan culture and the execution of strategy in tier one commercial banks. The correlation coefficient of 0.664, with a significant value of 0.000, supports the second objective of the study. The regression analysis indicates that a one-unit increase in clan culture, while holding other variables constant, leads to a 0.369 improvement in strategy execution. This finding aligns with the argument made by Phang (2019) that clan culture facilitates smoother strategy implementation by promoting collaboration and collective decision-making for the benefit of the organization.

The descriptive findings reveal that the management of tier one commercial banks is committed to the development of employee capabilities. The majority of employees exhibit loyalty to their job and the bank, and they deliver their mission as prescribed.

These findings support the conclusion of Rajasekar (2014) that clan culture fosters a cohesive and tightly knit community where members have a sense of belonging and look out for one another.

Furthermore, the descriptive analysis highlights the substantial connections between clan culture and the implementation process, as well as the strong connection between workers and their employers. This deduction is in line with the results published by Trehan and Trehan (2019), indicating that clan culture creates a constructive atmosphere where everyone collaborates for the welfare of the company. Similarly, Phang (2019) suggests that clan culture enables smoother collective decision-making by encouraging individuals to consult each other to determine what is best for the community.

Overall, these findings underscore the significance of clan culture in tier one commercial banks. It fosters collaboration, loyalty, and collective decision-making, ultimately contributing to the effective execution of strategies.

#### **5.2.4 Hierarchical Culture on Strategy Implementation**

The research findings indicate a statistically significant relationship between hierarchical culture and the execution of strategy in tier one commercial banks. The correlation coefficient of 0.579, with a significant p-value of less than 0.005, confirms the strong positive association between these variables. The regression analysis further reveals that a one-unit increase in hierarchical culture, while keeping other factors constant, leads to a 0.359 improvement in strategy implementation for tier one banks in Kenya.

The descriptive findings provide insights into the impact of hierarchical culture on the adoption of strategic plans by tier one banks. It is observed that these banks have well-defined procedures and clear standards that guide their goals and ambitions. Additionally, a culture of flexibility within the organization is seen as crucial for successful plan implementation. These findings align with the conclusions of Wroblewski (2017), who emphasized the influence of hierarchical cultures on the implementation of tactics. Similarly, Mwaura's research (2017) supports the idea that buy-in from top-level management to the strategic direction of the business is a critical factor in effective strategy implementation within hierarchical cultures.

Overall, the study highlights the significance of hierarchical culture in tier one commercial banks and its influence on strategy execution. The findings suggest that clear processes, well-defined standards, and a culture of flexibility contribute to the successful implementation of strategic plans in these banks.

### **5.3 Summary of Main Findings**

The research findings provide valuable insights into the role of organizational culture in strategy implementation within tier one commercial banks. Here is an expanded explanation of each main finding:

#### **5.3.1 Influence of Adhocracy Culture on Strategy Implementation by Commercial banks**

The research reveals a strong positive correlation between adhocracy culture and strategy implementation. Adhocracy culture is characterized by flexibility, adaptability, and a decentralized decision-making process. The findings suggest that banks with a higher level of adhocracy culture are more likely to effectively execute their strategic plans. This may be because an adhocracy culture enables quick decision-making, promotes innovation, and encourages employees to take ownership of their work. The research also indicates that a one-unit increase in adhocracy culture is associated with a 0.439 improvement in strategy implementation, highlighting the significance of this culture in driving successful execution.

#### **5.3.2 Influence of Clan Culture on Strategy Implementation by Commercial banks**

The research identifies a significant and positive association between clan culture and strategy execution in tier one banks. Clan culture emphasizes collaboration, teamwork, and a sense of belonging within the organization. The findings suggest that banks with a strong clan culture are better equipped to implement their strategic plans. Clan culture fosters a supportive and cohesive work environment where employees work together towards common goals. The descriptive results indicate that tier one banks with a clan culture focus on the development of their workforce and foster loyalty among employees. This aligns with previous research that emphasizes the role

of clan culture in facilitating smoother decision-making processes and creating a sense of community within the organization.

### **5.3.3 Influence of Market Culture on Strategy Implementation by Commercial banks in tier one in Kenya**

The research highlights a positive correlation between market culture and strategy implementation, although the relationship is relatively weaker compared to adhocracy and clan cultures. Market culture emphasizes an external orientation, responsiveness to market demands, and a competitive mindset. The findings suggest that commercial banks with a market culture are more likely to effectively execute their strategic plans. Market-oriented banks prioritize customer needs, market trends, and competitive positioning, which can lead to successful strategy implementation. While the correlation coefficient for market culture is lower than that of adhocracy and clan cultures, it still indicates a significant relationship, underscoring the importance of a market-oriented approach in strategy execution.

### **5.3.4 Influence of Hierarchical Culture on Strategy Implementation by Commercial banks**

The research reveals a significant positive correlation between hierarchical culture and strategy implementation. Hierarchical culture is characterized by clear procedures, well-defined roles, and a top-down decision-making structure. The findings suggest that banks with a stronger hierarchical culture are more likely to implement their strategic plans successfully. Hierarchical cultures provide a clear framework and structure for decision-making and execution. The descriptive findings indicate that tier one banks with a hierarchical culture have well-established processes and standards, which guide their strategic goals and activities. The research also demonstrates that a one-unit increase in hierarchical culture is associated with a 0.359 improvement in strategy implementation, emphasizing the importance of clarity and structure in effective plan execution.

Overall, the research highlights the significance of organizational culture in strategy implementation within tier one commercial banks. It emphasizes the role of adhocracy, clan, market, and hierarchical cultures in shaping the effectiveness of strategy execution. Banks that cultivate a flexible, collaborative, market-oriented, and clear hierarchical culture are more likely to achieve successful strategy implementation outcomes. These findings provide valuable insights for banks seeking to enhance their strategy execution capabilities and reinforce the importance of aligning organizational culture with strategic objectives.

#### **5.4 Conclusions**

In conclusion, the research findings provide valuable insights into the relationship between organizational culture and strategy implementation in tier one commercial banks. The study identified four main types of culture - adhocracy, clan, market, and hierarchical - and examined their correlation with strategy execution.

The findings demonstrate that adhocracy culture, characterized by flexibility and decentralized decision-making, has a strong positive association with strategy implementation. Banks with a higher level of adhocracy culture are more likely to effectively execute their strategic plans. This highlights the importance of fostering an environment that promotes innovation, quick decision-making, and employee ownership.

Similarly, clan culture, emphasizing collaboration, teamwork, and a sense of belonging, is positively correlated with strategy execution. Banks with a strong clan culture tend to have a supportive and cohesive work environment, which contributes to successful implementation. This underscores the significance of creating a culture that encourages collaboration, loyalty, and shared goals.

Market culture, with its focus on external orientation and responsiveness to market demands, also shows a positive correlation with strategy implementation. Banks with a market-oriented culture are better equipped to address customer needs, adapt to market trends, and gain a competitive edge. This highlights the importance of staying attuned to market dynamics and aligning strategies accordingly.

Finally, hierarchical culture, characterized by clear procedures and well-defined roles, has a positive impact on strategy implementation. Banks with a stronger hierarchical culture tend to have well-established processes and standards, providing a clear

framework for decision-making and execution. Clarity and structure in the organizational hierarchy contribute to effective strategy implementation.

Overall, the research findings emphasize the significance of organizational culture in shaping the success of strategy execution in tier one commercial banks. The study provides valuable insights for banks seeking to enhance their strategy implementation capabilities. By fostering cultures that encourage flexibility, collaboration, market orientation, and clarity, banks can improve their ability to execute strategic plans and achieve their desired outcomes.

## **5.5 Recommendations**

Based on the research findings, the following recommendations can be made for tier one commercial banks to enhance their strategy implementation:

### **5.5.1 Foster an Adhocracy Culture**

Banks should encourage a culture of flexibility, innovation, and decentralized decision-making. This can be achieved by empowering employees to take ownership of their work, providing opportunities for experimentation and learning, and promoting a supportive environment that values creativity and risk-taking.

### **5.5.2 Cultivate a Clan Culture**

Banks should focus on building a collaborative and cohesive work environment. This can be done by promoting teamwork, communication, and a sense of belonging among employees. Creating platforms for knowledge sharing, establishing mentorship programs, and encouraging cross-functional collaboration can help strengthen the clan culture within the organization.

### **5.5.3 Emphasize Market Orientation**

Banks should prioritize a culture that is customer-focused and responsive to market demands. This can be achieved by gathering market intelligence, regularly assessing customer needs, and aligning strategies accordingly. Encouraging a proactive approach to market trends, fostering customer-centricity among employees, and promoting a culture of continuous improvement can enhance the market orientation of the organization.

#### **5.5.4 Maintain a Balanced Hierarchical Culture**

While hierarchical cultures provide clarity and structure, it is important to strike a balance between hierarchy and flexibility. Banks should ensure that clear procedures and well-defined roles do not hinder adaptability and responsiveness. Promoting open communication channels, encouraging employee engagement and participation in decision-making, and fostering a culture of continuous learning and improvement can help maintain a balanced hierarchical culture.

#### **5.5.5 Promote Organizational Learning**

Banks should prioritize continuous learning and development at all levels of the organization. Providing training and development opportunities for employees, encouraging knowledge sharing and collaboration, and creating a culture that values learning and growth can contribute to enhanced strategy implementation capabilities.

#### **5.5.6 Regularly Evaluate and Monitor Organizational Culture**

Banks should regularly assess and monitor their organizational culture to identify areas of improvement. Conducting employee surveys, collecting feedback, and analysing cultural dynamics can provide insights into the effectiveness of culture in supporting strategy implementation. Based on the findings, appropriate interventions and adjustments can be made to align culture with strategic goals.

By implementing these recommendations, tier one commercial banks can create an organizational culture that enhances their ability to effectively execute strategic plans, adapt to changing market conditions, and achieve their desired objectives.

### **5.6 Areas for further studies**

Based on the current research findings, there are several areas that could be explored further to deepen our understanding of the relationship between organizational culture and strategy implementation in commercial banks. Some potential areas for future studies include:

Conducting longitudinal studies to examine the impact of organizational culture on strategy implementation over an extended period of time. This would provide insights



into the long-term effects of culture on performance and allow for a more comprehensive analysis of the dynamics between culture and strategy.

Comparing the influence of organizational culture on strategy implementation across different cultural contexts and countries. This would help to identify cultural factors that may shape the effectiveness of strategy implementation and provide a broader perspective on the role of culture in organizational outcomes.

Conducting qualitative research to gain a deeper understanding of the mechanisms through which organizational culture influences strategy implementation. In-depth interviews, case studies, and ethnographic approaches can provide rich insights into the experiences, perceptions, and behaviours of employees and leaders in relation to culture and strategy.

Investigating the mediating and moderating factors that influence the relationship between organizational culture and strategy implementation. Factors such as leadership styles, employee engagement, organizational structure, and external environmental factors could be explored to better understand the complexities of this relationship.

Comparing the strategy implementation effectiveness of commercial banks with different dominant cultures (e.g., adhocracy culture, clan culture, market culture, hierarchical culture) to identify the strengths and weaknesses of each culture type in relation to strategy execution. This could provide valuable insights for banks aiming to develop or enhance specific cultural characteristics.

Examining the perceptions and attitudes of employees towards organizational culture and its impact on strategy implementation. Understanding how employees interpret and experience cultural practices, values, and norms can shed light on the alignment between individual and organizational goals and the influence of culture on employee motivation and behaviour.

By exploring these areas in future studies, researchers can contribute to a deeper understanding of the role of organizational culture in strategy implementation and provide insights that can inform effective organizational interventions and practices.

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## APPENDICIES

### APPENDIX I: QUESTIONNAIRE

This questionnaire is to be filled only by employees of the Commercial Banks in Kenya participating in this study. Dear respondent, the purpose of this questionnaire is to collect data on corporate culture and strategic Implementation by Commercial Banks in tier one in Kenya. Responses on this questionnaire will be handled with the utmost confidentiality and will not be used for any other purpose except for the intended academic research purpose.

#### Section A: Demographic information

1. State your current education level

Diploma [ ]      Graduate [ ]  
 Masters      [ ]      PhD      [ ]

2. For how long have you worked in the banking industry?

Less than 1 year      [ ]      1-5 years      [ ]  
 6-10 years      [ ]      Over 10 years [ ]

3. What is your position in your institution?.....

4. For how long have you been involved in strategic management matters in your career?

1-5 years      [ ]      6-10 years      [ ]  
 10-15 years      [ ]      Over 15 years [ ]

#### Section B: Influence of Adhocracy Culture and Strategy Implementation by Commercial banks in tier one in Kenya

*Adhocracy culture is a type of organizational culture where decisions are made organically and the focus is on getting the job done. It is also understood as a corporate culture based on the ability to adapt quickly to changing conditions.*

5. In your own view, indicate to what extent does Adhocracy Culture influence Strategy Implementation by Commercial banks in tier one in Kenya?

- a) Very Great Extent
- b) Great Extent
- c) Moderate Extent
- d) Little Extent
- e) Not at All

6. Kindly rate your opinion regarding the following statements on Adhocracy Culture in your organization. Use a scale of 1-5 where 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree.

<b>Statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
At this commercial bank, creativity among employees is highly encouraged					
This bank adequately supports the development of entrepreneurial skills among its employees					
The working environment of this bank is adaptable to all employees with diverse socioeconomic and biological features					
Continuous learning culture among employees is highly encouraged and supported by this commercial bank					
Employees at commercial bank are flexible to organizational changes that emerge because of the dynamic business environment					
Power is decentralized flowing from individual to individual or team to team based on employee roles					

**Section C: Influence of Clan Culture on Strategy Implementation by Commercial banks in tier one in Kenya**



*A clan culture is a family-like or tribe-like type of corporate environment that emphasizes consensus and commonality of goals and values. Clan cultures are the most collaborative and the least competitive of the four main corporate culture models.*

7. In your own view, indicate to what extent does Clan Culture Influence Strategy Implementation by Commercial banks in tier one in Kenya?

- a) Very Great Extent
- b) Great Extent
- c) Moderate Extent
- d) Little Extent
- e) Not at All

8. Kindly rate your opinion regarding the following statements on Clan Culture in your organization. Use a scale of 1-5 where 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree.

<b>Statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
A meaningful relationship exists between me and my employer					
Clan culture has significant relationships with the implementation process					
I am loyal to my work and the bank, and shall deliver my mandate as prescribed					
This bank adequately nurtures employees to suit the needs of their tasks					
Employees' involvement in task management and delivery is well established at commercial bank					
Teamwork among employees at this commercial bank is highly encouraged and supported by the management					

The management of this commercial bank is committed to the capacity development of its employees					
--	--	--	--	--	--

**Section D: Influence of Market Culture on Strategy Implementation by Commercial banks in tier one in Kenya**

*A market culture is a type of corporate culture that emphasizes competitiveness not only between the organization and its market competitors but also between employees. The market model is the most aggressive and capitalistic of the four common corporate culture models.*

9. In your own view, indicate to what extent does Market Culture Influence Strategy Implementation by Commercial banks in tier one in Kenya?

- a) Very Great Extent
- b) Great Extent
- c) Moderate Extent
- d) Little Extent
- e) Not at All

10. Kindly rate your opinion regarding the following statements on market culture in your organization. Use a scale of 1-5 where 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree.

Statements	1	2	3	4	5
The formality adopted by the bank in its strategic planning resulted into a strategic document (strategic plan)					
Various methods are used by banks in inculcating culture such as change management, carrying out training for staff, improving on information technology, and culture change, among others.					
Competitive pressure aids employees coordinate their efforts and apply changes to the organization structure.					
Upgrades in technology in an organization influences smooth running of operations and efficiency in business activities.					

Improvement in technology makes the employees work easier and results are achieved within a short duration of time.					
Technology changes also entails creation of innovative products and services that will woo customers, hence meeting their demands.					
Commitment to focus to organization strategy leads to more investment in strategy specific capabilities.					

### **Section E: Influence of Hierarchical Culture on Strategy Implementation by Commercial banks in tier one in Kenya'**

*An organizational culture that focuses on the development and maintenance of stable organizational rules, structures, and processes, by implementing a hierarchical system of power and management is Hierarchical Culture*

11. In your own view, indicate to what extent does Hierarchical Culture on Strategy Implementation of Commercial banks in tier one in Kenya?

- a) Very Great Extent
- b) Great Extent
- c) Moderate Extent
- d) Little Extent
- e) Not at All

12. Kindly rate your opinion regarding the following statements on Hierarchical Culture in your organization. Use a scale of 1-5 where 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree.

<b>Statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Top management are at the forefront of the quality management a strongly promote quality management and improvement activities.					

Top level management commitment to strategic direction majorly contributes towards the implementation of the organization strategies					
Flexible culture allows change and increases the effectiveness of strategy execution.					
Flexible culture in an organization is an important recipe in strategy implementation.					
The rules governing work engagement in this bank are too tough for me					
The policy guidelines of this bank are in tandem with the operational efficiency requirements					
This bank functions smoothly with minimal operational hitches					
There are clear guidelines regarding the manner in which this bank approaches certain tasks					
There are clear and well-defined processes guiding the missions and visions of the bank					

## SECTION F: STRATEGY IMPLEMENTATION

13. In your own view, indicate to what extent does strategy implementation influence the commercial banks industry?

- a) Very Great Extent
- b) Great Extent
- c) Moderate Extent
- d) Little Extent
- e) Not at All

14. Please indicate the extent to which you agree or disagree with the following statements. (Please Tick 1 for “Strongly Disagree”, 2 for “Disagree”, 3 for neutral”, 4 for “Agree” and 5 for “Strongly Agree”).

<b>Statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Strategy implementation involves organization of the firm resources and motivation of the staff to achieve organization objectives					
Given an intensifying competitive environment, the critical determinant in the success and doubtlessly, the survival of the organization is the successful implementation of strategies					
Strategy implementation is a mere by product or invariable consequence of planning.					
The fatal problem with strategy implementation is the low success rate of intended strategies.					
Strategy implementation is both a multifaceted and complex organizational process, it is only taking a broad view that a wide span of potentially valuable insights is generated.					
Individual employee’s performance affects implementation of strategic plan.					
Performance measures used by the organization affects implementation of strategic plan.					

**Thank you for your time**

**APPENDIX II: INTERVIEW GUIDE**

1.How would you describe your corporate culture?

.....  
.....

2.What are the foundation/key pillars of your corporate culture?

.....  
.....

3.What activities do your organisation employ to reinforce your corporate culture?

.....  
.....

4.Is corporate culture critical to delivery of business objectives? Kindly elaborate

.....  
.....

5.What role does corporate culture play in effective implementation of banks strategy?

.....  
.....

6.What do you consider corporate culture as an enablers of effective strategy implementation?

.....  
.....

7.In your own opinion what kind of corporate culture is better suited for effective implementation of banks strategy?

.....  
.....

**APPENDIX III: LIST OF TIER ONE COMMERCIAL BANKS IN KENYA**

1. Absa Bank Kenya
2. Cooperative Bank of Kenya
3. Equity Bank
4. Kenya Commercial Bank (KCB)
5. NCBA Bank
6. Standard Chartered Bank Kenya

**APPENDIX IV: UNIVERSITY APPROVAL LETTER**

6<sup>th</sup>, March, 2023

E-mail: [researchwriting.mba.anu@gmail.com](mailto:researchwriting.mba.anu@gmail.com)

Tel. 0202711213

*Our Ref:* 16M03DMBA046

The Director.

National Commission for Science,  
Technology and Innovation (NACOSTI),  
P. O. Box 30623, 00100  
Nairobi. Kenya

Dear Sir/Madam:

**RE: RESEARCH AUTHORIZATION FOR: SUSAN WAIRIMU KUNG’U**

Miss. Susan is a postgraduate student of Africa Nazarene University in the Master of Business Administration (MBA) program.

In order to complete her program, Miss. Susan is conducting research entitled: **“Influence of Corporate Culture on Strategy Implementation: A Survey of Tier One Commercial Banks in Kenya”**

Any assistance offered to him will be highly appreciated.


Yours Faithfully,


A handwritten signature in black ink, appearing to read "DR. Kimani Gichuhi".

**DR. Kimani Gichuhi,**  
**MBA, Coordinator,**  
**School of Business,**  
**Africa Nazarene University.**




APPENDIX V: NACOSTI PERMIT


  
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**APPENDIX VI: MAP OF KENYA**

