Organizational culture and strategy implementation:
Trompenaar’s culture typology perspective

David Ntongai¹, Thomas A. Senaji², George K. King’oriah³

Abstract: Most formulated strategies do not end up being successfully implemented are a result of a number of factors leading to interest in examining how culture may be related to strategy implementation. In this study, we examined the relationship between organization culture and strategy implementation using a survey of 129 respondents from 43 commercial banks in Kenya. Trompenaars four culture types were used for organizational culture while strategy implementation was operationalised and measured using three sub-constructs: organization communication, policy framework and short-term objectives. We found significant relationship between organization culture and strategy implementation. Specifically cultures that are formal and task oriented (Guided missile and Eiffel tower) were more significantly related to strategy implementation (organization communication, policy framework and short-term objectives), compared with those that were person oriented, such as family cultures. Being among the first attempts to use Trompenaars culture topology to study the relationship between organization culture and strategy implementation, these findings have important implications for managers with regard to what cultures to promote in the banks and possibly other organisations in order to improve strategy implementation, and hence successful organization performance.

Keywords: Organization culture, Strategy implementation, Commercial banks, Kenya

I. Introduction
Commercial banks play a fundamental role in Social economic development of any Country. Banking systems serve as key agents along with the entrepreneurs in the process of economic development. In Kenya, Commercial banks contribute to economic growth through capital creation by accumulation of funds, implementation of modern technology, development of industrial and agricultural sectors and expansion of market and resource utilization among other roles. Commercial Banks are expected to greatly contribute towards realization of vision 2030 in Kenya. They are regulated and supervised by the Central Bank of Kenya. The Kenyan banking sector in Kenya continues to change and the unpredictability of this irregular change makes environment complex. A notable trend of declining profits, losses and several cases of receivership for the last five years has become a concern in the banking sector in Kenya. Recently, there has been a drastic change in government policy in relation to banks. Capping of the interest rate charged to borrowed loans has caused banks to go back to the drawing board and rethink their next course of action. Recent staff layoffs in some of the leading commercial banks, business process reengineering and focus on internationalization are indications of difficult times for banks in Kenya.

Organizations, specifically banks, have to continuously adapt to the fast-changing and often unpredictable business environment, to remain relevant in the market place and earn above average profits. Organizations must formulate, adopt and successfully, implement appropriate strategies in order to achieve both long term and short term objectives (Porter, 1996). Survival in today’s dynamic business world of constant change and ever increasing complexity demands greater competitiveness in all aspects of the organization’s performance. Organization culture is a force that in a unique way influences the internal environment of every firm. Successful strategy implementation requires right strategy-culture fit. When organizations adopt appropriate strategies and successfully implement them, performance will improve accordingly. This study predicts that organization culture influences strategy implementation, which in turn determines organization performance.

¹ Doctoral Candidate, Kenya Methodist University
² Professor of Strategy, Kenya Methodist University
³ Distinguished Full Professor of Economics, University of Nairobi

DOI: 10.9790/487X-2107041421
II. Literature Review

Organization culture

Organization culture is the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaption and internal integration (Schein, 1992). Cameron and Quinn (1985), define culture as the core values, assumptions, interpretations and approaches that characterize an organization. It facilitates communication, teamwork and promotes strategic focus. It creates an organizational identity while promoting a sense of value and commitment among members of the organization. However, static aspects of culture such as enduring attitudes, belief systems, and certain organizational practices tend to pose a challenge against new strategic thoughts (Thompson (2007). Comerford (1985) argues that maintaining a culture, that positively supports adopted strategy, greatly enhances effectiveness of strategy implementation.

Culture influences people’s behaviour at workplaces. During strategy implementation, the prevailing culture must be aligned with the intended strategy for a successful strategy implementation. While existing organization culture influences the process of strategy implementation, strategy implementation which comprises strategy communication, policy framework and setting short-term objectives is posited to influence that relationship.

According to Cameron and Ettington (1988) overall effectiveness in an organization can be greatly improved by reconfiguration of the prevailing culture to be in line with the organization goals. The corporate culture in an organization greatly influences the mindset of employees and this in turn influences the customers’ perception of the organization. Organization culture is motivated by the need for national integration, adaptation to the external environment and survival (McNeal, 2009). While internal integration focuses on internal organization; values systems, team boundaries, compensation and motivation, external adaptation focuses on positioning the firm strategically in its industry. The basis of organization culture is shared assumptions and philosophies on which organization’s belief systems are grounded. This level supports attitudes which are inclinations to act in a certain way. Norms in the organization are supported by the existing attitudes at work place. Attitudes are expressed through behaviour by which overall culture is visualized. This is manifested through words, symbols or gestures.

Currie and Shepstone (2012) posit that a strategy that is congruent to the company’s prevailing culture can lead to improved overall organizational performance. Deal and Kennedy (1982) established that a relationship exists between belief systems within an organization and organization performance. Values and beliefs influence corporate culture. Certain culture types have been found to positively influence strategy performance in a company.

Gordon and DiTomaso (1992) explain that various culture typologies exist in different organizations cutting across industries. Schen (1996) defines organization culture as a pattern of basic assumptions invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that are believed to be valid and can therefore be passed to members as the correct perception in relation to existing problems.

Trompenaars culture typology

According to Trompenaar’s (1994) culture typology, four culture types differentiate organizations and each affects strategy implementation and organization performance in a unique way. These culture types are Incubator culture, Guided missile culture, Family culture and Eiffel tower cultures. The figure below shows the four culture types, according to trompenaars (1994).

![Trompenaar's Cultural Typologies](image_url)
The four culture types could exist in the same organization, though one will be more dominant in a particular organization Trompenaars (1994)

David,(2003) states that organization performance can be improved if prevailing culture is put into perspective during implementation of strategies. In this regard, banks must understand the prevailing organization culture typology, and operationalize their strategy accordingly to improve performance.

According to a study by Muchira (2013), there is a strong relationship between organization performance and strategy implementation; however, most strategies fail at the implementation stage. Allio (2005), states that 57% of firms, poorly implement strategies. A study by Miller (2002) concludes that majority of firms extensively fail to implement their intended strategies. Beer andNohria(2000) have noted that up to 70% of strategicitivies fail to achieve predetermined objective due to poor implementation. Woolridge andFloyd (1990) state that strategy implementation could prove to be more difficult than strategy formulation. Lack of commitment, among members of the organization in terms of time, emotions and carrying out relevant activities could be a major source of difficulty during strategy implementation (Sanderlands, 1994).

Organization culture is an important element of strategy implementation. According to Cremer (1993) organization culture is knowledge shared by members of an organization, and enables delegation by providing a common language. According to Buul (2010), focusing on the prevailing culture is an integral part of strategy implementation. Trompenaar’s (1994) model provides an insight of various culture typologies that exist in organizations. Due to complexity of banks, it is challenging to develop a uniform culture that guides the actions of employees; however, the banks should strive to encourage a culture that supports effective implementation of their strategy which would ultimately lead to satisfactory performance.

The delicate act of strategy implementation involves navigating existing cultures in a way that ensures strategy is successfully implemented leading to high performance. This notwithstanding, the concept of strategy implementation has not been given sufficient attention in strategy implementation literature.

**Concept of strategy implementation**

While strategy formulation is an important activity in an organisation, translating the strategic thought into an organisation action presents many challenges. The challenges of strategy implementation are often illustrated by the unsatisfying low success rate (only 10 to 30 percent) of intended strategies (Raps &Kauffman, 2005).

According to Mayer (2016) strategy implementation describes the interface between the formulation of the strategy and its implementation. It is based on the overall strategy concept, strategic goals, purpose, financial, policy framework and strategy-directed action plan. The success of strategy implementation, to a great extent, depends on effectiveness of strategy implementation. Strategy implementation is influenced by both internal and external environment of a firm.

According to Thompson, (2007) configuring an internal organization to support a strategictought constitutes part of strategy implementation. However, Mehdi(2010) opines that successful implementation of a strategic thought remains one of the greatest managerial challenges. Formulating a consistent strategy is a difficult task for any management team, making that strategy work is even more difficult (Hrebiniak, 2006)

Three important aspects of strategy implementation are strategy communication, setting policy framework and translating long term objectives into short term goals. Whittington (2006) postulates that the environment affects the performance of a strategy. According to the Strategy-as-Practice (S-A-P) theory, implementers of strategy shape strategic activities through their values, beliefs and aspirations. Therefore, contextual factors such as organization culture are an important variable that influence the success of strategy implementation by interacting with the strategy implementation phase.

**Empirical Literature**

Several studies have been carried out in relation to strategy implementation by banks. For instance Bett (2012) studied challenges of strategy implementation in Kenya Commercial Bank. The study focused on structure–strategy alignment; the changes required to adapting the organization to the environment. The findings were that the organization structure greatly influence the success of a strategy. Similarly, Mugo (2013) studied agency banking in relation to Cooperative Bank of Kenya and concluded that internal organizations need to be configured to support strategy implementation. In a comparative study focusing on KCB and National Bank of Kenya (NBK), Muguni (2009) found that KCB had a better executive training program, which had a positive correlation to KCB’s superior stagey implementation compared to National Bank of Kenya. Kiptugen (2003) explored strategic responses adopted by Kenya commercial bank to the changing competitive environment focusing on the reactionary moves the Banks were taking in response to the changing environment.

In summary, most studies have examined the relationship between culture and and strategy implementation in non banking organizations however, there is scarce empirical studies reported on

DOI: 10.9790/487X-2107041421 www.iosrjournals.org
organization culture and strategy implementation in commercial banks in Kenya with respect to Trompenaars’ culture types.

The main research question (RQ1) is: what culture type best predicts strategy implementation in commercial banks in Kenya? By adapting Trompenaar’s, (1994) culture typology framework, the researcher sought to establish how organization culture affects strategy implementation in commercial banks in Kenya.

Hypotheses of the study
H1 There is no significant relationship between organization culture and organization communication
H2 There is no significant relationship between organization culture and organization policy framework
H3 There is no significant relationship between organization culture and short term objectives

III. Methodology

Research Design
Saunders (2009) defines research design as a detailed plan that gives guidance on how the study will be conducted. It guides the collection and analysis of data. In this study, the researcher adopted a descriptive and a cross sectional survey approach. This involves collecting data on phenomena as at the time of the study. Cross-sectional design is recommended for relationship studies because it is robust. The variables under study are measured as they naturally occur. A descriptive survey method was used to conduct this study. This method is used to collect data from a large population at a particular point in time in a highly economical way with an intention of describing the nature of existing situation. Descriptive studies can answer questions such as ‘what is’ or what was (Bictman & Rog, 1998). It seeks to find out what factors are associated with certain occurrences, outcomes and conditions of behaviour (Bell, 1987). Cross-sectional research design has been used previously by Munjuri (2013) and Njeru (2013). Descriptive design could be adopted for research focusing on finding out when, how and what, in relation to a phenomenon, (Cooper & Schindler, 2003).

Target Population
This study focused on the 43 commercial Banks in Kenya, regulated by the Central Bank of Kenya. Singleton (1994) posits that the ideal setting for any study should allow accessibility by the researcher and should provide instant rapport. Singleton also notes that an ideal reason for setting any study should be the existence of a problem that the study hopes to generate solutions for.

A census survey of all 43 commercial banks was conducted. All people under consideration in any field of inquiry constitute a universe or targeted population (Combo, 2006). The target population according to Borg and Gall (1989) refer to all the members of a real or hypothetical set of people, events, or objects for which the researcher wishes to generate results of the study. For this study, the Banks were the units of analysis, while respondents were the units of observation. This study targeted the 43 commercial banks in Kenya. The respondents comprised branch managers, operations managers and a teller at each bank headquarter branch.

IV. Results And Discussions

Influence of organizational Culture on policy framework
Data was collected, and through regression analysis the strength of relationship between the four cultures typologies and policy framework was studied. The findings are presented in table (12a, b, and c).

The Anova table 12(b) shows that the combined repressors are significant, with a p-value less than 0.05. From the table of coefficients, table 12(a) Guided missile culture a significant relationship with policy framework with a p-value of less than (0.05). Table, 12(c) indicates that 40% of variations in policy framework is explained by model variables. These culture typologies are task oriented. Guided missile culture supports performance by focusing on tasks. Based on the Motto ‘getting things done’, it lays emphasis on equity and orientation towards the task. All the organizational resources are focused toward, achieving task objectives. Expertise is the source of power. Policies define an area within which a decision is to be made and ensure that the decision will be consistent with and continue to be consistent. Policies help make appropriate decision about an issue before it becomes a problem. Policies help executives to delegate authority while maintaining control over the subordinates. Since company strategy could have several dimensions, each of these dimensions requires a policy. According to the findings of this study Guided missile culture, influences organization policy. This supports the findings of Trompenaars (1994) that culture groupings influence how individuals respond to organization changes.
Table 12 (a). Influence of organisational culture on policy framework

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>4.488</td>
<td>.796</td>
<td>5.639</td>
</tr>
<tr>
<td>Family</td>
<td>-.210</td>
<td>.084</td>
<td>-.213</td>
<td>-2.510</td>
</tr>
<tr>
<td>Eiffel tower</td>
<td>-.271</td>
<td>.116</td>
<td>-.211</td>
<td>-2.343</td>
</tr>
<tr>
<td>Guided missile</td>
<td>.444</td>
<td>.064</td>
<td>.591</td>
<td>6.978</td>
</tr>
<tr>
<td>Incubator</td>
<td>-.202</td>
<td>.140</td>
<td>-.130</td>
<td>-1.438</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Policy framework

Table 12 (b). ANOVA in policy framework

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>25.090</td>
<td>4</td>
<td>6.273</td>
<td>14.886</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>34.131</td>
<td>81</td>
<td>.421</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>59.221</td>
<td>85</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Policy framework
b. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

d. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

Table 12(c). Model Summary for the relationship between organizational culture and policy framework

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.651*</td>
<td>.424</td>
<td>.395</td>
<td>.64915</td>
</tr>
</tbody>
</table>

4.6.3 Influence of Organizational culture on communication

Through regression analysis the research sought to find the strength of the relationship between organization cultures and organization communication. The findings are presented in the table (13a, b and c). ANOVATable 13 (b) indicates that all cultures combined had a significant relationship with organization communication, with a p-value of less than 0.05.

Table 13(c) indicates that guided missile culture had a significant effect on organization communication. Organization communication has been defined as a process whereby members gather information about their organization and changes taking place, Kreps (1990). Guided missile culture which supports decentralization encourages information flow in organizations, hence significantly influences organization communication. The findings of this study supports Gerald, (2012) that organization culture influence organization communication.

Table 13(a) Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.359*</td>
<td>.129</td>
<td>.086</td>
<td>.63301</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

Table 13(b) ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4.799</td>
<td>4</td>
<td>1.200</td>
<td>2.994</td>
<td>.023*</td>
</tr>
<tr>
<td>Residual</td>
<td>32.456</td>
<td>81</td>
<td>.401</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>37.256</td>
<td>85</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organization communication
b. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

d. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower

Table 13(c) Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>3.775</td>
<td>.776</td>
<td>4.863</td>
</tr>
<tr>
<td>Family</td>
<td>-.076</td>
<td>.082</td>
<td>-.097</td>
<td>-925</td>
</tr>
<tr>
<td>Eiffel tower</td>
<td>.037</td>
<td>.113</td>
<td>.036</td>
<td>329</td>
</tr>
<tr>
<td>Guided missile</td>
<td>.204</td>
<td>.062</td>
<td>.342</td>
<td>3.281</td>
</tr>
<tr>
<td>Incubator</td>
<td>-.086</td>
<td>.137</td>
<td>-.069</td>
<td>-627</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organization communication
4.6.4 Influence of organization culture on short-term objectives

Data was collected and analyzed through regression analysis to find the influence of the relationship between bank culture and short-term objectives setting. Table (14a, b and c) shows the results.

Anova table 14(b) indicates that the combined regressors had a significant relationship with short-term objectives setting with a p-value less than 0.05.

Table of coefficients, table 14(c) indicates that incubator and guided missile cultures had a significant relationship with short-term objective setting, with a p-value less than 0.05. Model summary table 14(a) indicates that 40% of variations in the dependent variable (short-term objectives) where explained by the independent variables. Objectives provide feedback on how well or poorly the strategy is being executed. Strategy implementation requires translating long term objectives into current targets by developing annual objectives. Since objectives focus employees’ efforts in a particular direction, to perform a task, Guided missile culture which is task oriented will leverage conversion of open-ended goals into precise short-term objectives. This is in agreement with DuBrin, (2012) findings that specific goals will improve organizational performance.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.653*</td>
<td>.426</td>
<td>.398</td>
<td>.55116</td>
</tr>
<tr>
<td></td>
<td>a. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>18.289</td>
<td>4</td>
<td>4.572</td>
<td>15.051</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>24.606</td>
<td>81</td>
<td>.304</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>42.895</td>
<td>85</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. Dependent Variable: Short-term objectives</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>b. Predictors: (Constant), Incubator, Guided missile, Family, Eiffel tower</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>4.074</td>
</tr>
<tr>
<td></td>
<td>Family</td>
<td>.065</td>
</tr>
<tr>
<td></td>
<td>Eiffel tower</td>
<td>-.144</td>
</tr>
<tr>
<td></td>
<td>Guided missile</td>
<td>.377</td>
</tr>
<tr>
<td></td>
<td>Incubator</td>
<td>-.347</td>
</tr>
<tr>
<td></td>
<td>a. Dependent Variable: Short-term objectives</td>
<td></td>
</tr>
</tbody>
</table>

V. Conclusions And Recommendation

Based on the findings of the study the following conclusion are drawn and recommendations made.

Conclusions

The main objective of the study was to find the influence of organization culture on strategy implementation.

Through regression analysis the research sought to find the influence of organization culture on banks’ communication. It was found that all cultures combined had a significant relationship with organization communication, with a p-value of less than 0.05. Guided missile culture had a most significant effect on organization communication in relation to other culture typologies. H1 that there is no statistically significant effect of organization culture on banks’ communication is therefore rejected.

Secondly, effect of the culture on Bank policy development in banks in Kenya was studied using regression analysis, where it was established that Guided missile culture has a significant positive relationship with banks’ policy and that 40% of variations in policy framework was explained by model variables. H2 that there is no statistically significant effect of organization culture on banks’ policy in Kenya is therefore rejected.

Researcher sought to determine the influence of organization culture on short-term objectives setting in the bank. According to the findings the combined regressors had a significant relationship with short-term objectives setting with a p-value less than 0.05.
It was further found that Incubator and Guided missile cultures had a significant relationship with short-term objective setting, with a p-value less than 0.05 and that table 14(a) indicates that 40% of variations in the dependent variable (short-term objectives) were explained by the independent variables, culture. H3 that there is no statistically significant effect of organization culture on banks’ short-term objectives setting is therefore rejected.

Recommendations

Applied recommendations

The findings of this study may guide bank managers to encourage and sustain cultures that create suitable internal environment that support strategy implementation, hence high performance. Diagram below shows the proposed model indicating interactions among organization culture, organization performance, and strategy implementation.

![Diagram of Management Advisory Model](image)

**Figure 2: Management advisory model**

References


[7]. Bett, E.J. (2012). Challenges facing the implementation of change strategies at Kenya Commercial Bank, (MBA project), University of Nairobi., Nairobi, Kenya


Organizational Culture And Strategy Implementation: Trompenaar’s Culture Typology Perspective

[50]. Strategy: The quest for competitive advantage, concepts and cases. (16th ed.).
[51]. Studies, 27(5), 613-634.

David Ntongai. "Organizational culture and strategy implementation: Trompenaar’s culture typology perspective". IOSR Journal of Business and Management (IOSR-JBM), Vol. 21, No. 7, 2019, pp. -14-21

DOI: 10.9790/487X-2107041421 www.iosrjournals.org 21 | Page