I. INTRODUCTION

A. BACKGROUND OF THE STUDY

Okumus (2001) contends that procedure execution does not happen in a vacuum. It happens inside the inward and outer condition of an association made out of different variables among them the predominant authoritative culture. Martins and Terblanche (2003) include that the predominant authoritative culture can either bolster or undermine execution of procedures subsequently the requirement for system social fit in any association. As per Jackson (2016), the present associations are not static and in this way continue changing keeping in mind the end goal to stay applicable. A few changes are not unsurprising and it is just associations that can modify unexpectedly that will effectively execute their methodologies. As indicated by (Schein, 2009), authoritative culture is an aggregate conduct of people that are a piece of an association. It is framed by the association esteems, dreams, standards, working dialect, frameworks, and images, convictions and propensities. It is additionally the example of such aggregate practices and presumptions that are instructed to new hierarchical individuals as a method for seeing, and notwithstanding considering and feeling. Hierarchical cultures influence the way people and gatherings collaborate with each other, with customers, and with partners (Ahmadi et al., 2012).

Heskett and Kotter (1992) have exhibited culture as a generally stable arrangement of convictions, qualities and
practices ordinarily held by a general public. Schein (2009) defines organizational culture as the aggregate conduct of people that are a piece of an organization. It is framed by the organization esteems, dreams, standards, working dialect, frameworks, and images, convictions and propensities. There are four types of organizational culture: power, role, person and task cultures or what basically forms Handy’s Four Classes of Culture (Cameron & Quinn, 2005). The current study addressed the power culture as a dimension of corporate culture and how it influences the strategy implementation condition of the banks. According to Clegg, Courpasson, and Phillips (2006), power culture has a solitary source of order from which beams of impact spread all through the organization. This implies power is unified and organizational individuals are associated with the middle by practical and authority strings. An organization with a power culture has power held by only a couple of people whose impact spreads all through that organization. This sort of culture can enable an organization to react rapidly to occasions, yet they are intensely reliant for their proceeded with progress on the capacities of the people at the middle and hence progression is a basic issue (Carl et al., 2004).

According to Flood, Dromgoole, Carroll and Gorman (2000), strategy implementation describes the activities within an organization to manage the execution of a strategic plan. The inbound activities of a strategy implementation framework include strategy articulation, strategy communication, strategy translation, strategy monitoring and controlling and strategy engagement. Kaplan and Norton (2001) present strategy implementation as the translation of selected strategy into organizational action geared towards the achievement of strategic corporate goals and objectives. Strategy implementation is also presented as the manner in which an organization develops, utilizes, and integrates organizational structure, control systems, and culture to follow strategies that lead to competitive advantage and superior performance (Macmillan & Tampoe, 2001).

Li, Guo-hui, and Eppler (2010) postulate that a meaningful strategy will benefit the organizational until it is successfully implemented. As a matter of fact, many organizational failures occur not because of poor formulation but poor implementation frameworks. Aalto-Laine and Ikävalko (2002) introduced a chain which leads to successful implementation of the strategy comprised of communication, interpretation, adoption and enactment in that order. According to Hunger and Wheelen (2003) the following are the main steps in implementing a strategy. The process starts with the development of an organizational potential to carry out strategy successfully followed by disbursement of abundant resources to strategy-essential activities. There is then creation of strategy-encouraging policies coupled with employment of the best policies and programs for constant improvement. The reward structure then needs to be linked with successful accomplishment of tasks and results. Lastly and most importantly, there is need to make use of strategic leadership al through.

The study used the Earned Value Method in assessing the status and success of strategy implementation. The Earned Value Management (EVM) is widely used and acclaimed in assessing the success of strategy implementation (Navon, 2007) Also known as Earned Value Management, EVM aids strategic managers in measuring the performance of strategies pursued. It provides reliable strategy implementation metrics through an objective analysis of variances in projects based on the comparison of strategy actuals and strategy plans. The strategy baseline serves as an essential component of EVM as it provides an objective reference point for all EVM related activities (Kaplan & Norton, 2001). According to Anbari (2003), the application of the EMV approach is key in helping organizations to identify the business impact of implementing improvement initiatives or strategies. The EMV technique measures the scope, schedule as well as the cost performance of the strategies compared with plans. To be precise, the completed products or items and their actual cost and time taken are compared against their schedule and cost estimates to identify if there are any deviations and whether the deviations, if any, are favourable or unfavourable (Navon, 2007).

B. STATEMENT OF THE PROBLEM

World over, the commercial banks has seen terrific shifts in the nature and status of their operating environment especially with regard to regulation, technology and competition, factors that have sent them back to the boardrooms in search of adaptive and transformative strategies (Jeucken & Bouma, 2015). The Kenyan Banking sector is no exception to this, as a myriad of changes are redefining the context in which banks operate. These include shifts in regulatory framework such as the Banking Amendment Act of 2015 that brought regulation with respect to interest rates capping them at no more than 4% above the Central Bank Rate. The result has been an exploration of coping strategies such as downsizing and adoption of technological platforms in doing banking business in an attempt to sustain good performance (Kaiba, 2016). Manasse, Savona, and Vezzoli (2016) spots that poor implementation of strategies may have cost the banks dearly in developing economies in their bid to survive in the new business arrangement. In Kenya, a wave of banking sector failure has not spared its players with Chase Bank, Dubai Bank of Kenya and Imperial Bank forced to close doors recently. Generally, as observed by Onuonga (2014), the performance of commercial banks has not been impressive with the growth in Profits before Tax (PBT) of commercial banks has being less than 20% on average terms which represents a declining trend from previous periods. A number of past studies have also identified tethering challenges in implementation of strategies in banks with Nyeri County not exempted (Kinyoe, 2016; Macharia, 2013; Opiyo, 2010). Corporate culture has been identified in past theory and studies as a key area that would help improve the state of strategy implementation (Njengah, 2013; Karimi & Kadir, 2012). As such, the study covered the subject; power culture and the strategy implementation for Commercial Banks in Nyeri County, Kenya.
C. OBJECTIVE OF THE STUDY

The study sought to establish the effect of power culture on strategy implementation for Commercial Banks in Nyeri County, Kenya.

D. RESEARCH QUESTION

The study sought empirical evidence to answer the following research question.

✓ What is the effect of power culture on strategy implementation by Commercial Banks in Nyeri County, Kenya?

II. LITERATURE REVIEW

A. THEORETICAL REVIEW

The research was based and guided by the cultural dimensions theory, developed by Hofstede (1984) and the institutional theory as proposed by Meyer & Rowan (1977).

a. THE CULTURAL DIMENSIONS THEORY

The cultural dimensions theory was developed by Hofstede (1984). It is a system that depicts the impacts of a general public's culture on the estimation of its individuals and how the qualities identify with conduct. Hofstede built up his unique model because of utilizing factor investigation to look at the consequences of an overall study of worker esteem by IBM in the vicinity of 1967 and 1973. Organizational culture is characterized as the path in which individuals from an organization identify with each other, their work and the outside world in contrast with different organizations. Hofstede and McCrae (2004) contend that organizational culture can either empower or upset an organization's procedure. As exhibited by Black (2003), the Hofstede Multi-Focus Model on Organizational culture is a strategic instrument went for helping organizations to wind up noticeably more viable and it comprises of six free measurements or factors and two semi-self-ruling measurements. The principal measurement is the Means-situated versus Goal-arranged measurement.

As Vigolo, Bonfanti, Magliocca, and Kirakosyan (2016) place, this is the measurement that is most firmly associated with the adequacy of the organization. The key component in a Means arranged culture is the route in which work must be completed; people relate to the "how". In an objective situated culture representatives are fundamentally out to accomplish particular inward objectives or results, regardless of the possibility that these include generous dangers; people relate to the "what" (Wilkins and Ouchi, 1983). The cultural dimensions theory was applicable to this study in that the eight dimensions of culture provided a framework to help investigate the effect of power culture on the strategy implementation by commercial banks in Nyeri County.

b. INSTITUTIONAL THEORY

The institutional theory was first proposed by Meyer & Rowan (1977). The theory has however continued to attract many advancers and promoters since introduction of the concept in institutional perspective (Zucker, 1987; DiMaggio, 1988; DiMaggio & Powell, 1991; Scott, 1995). Institutional theorists are of the view that the institutional environment can to a large extent impact the improvement of formal structures in an organization, frequently more significantly than advertise weights. This hypothesis considers the procedures by which organizational structures including blueprints, tenets, standards, and schedules, end up noticeably settled as definitive rules for social conduct. It clarifies how organizational structures and individual conduct are affected by the social, political and social powers encompassing organizations (Scott, 2004). According to Tushman and Romanelli (2008), normative pressures resulting from external sources and the organization itself affect organizations. Therefore an organizational structure can be seen as reflections of rationalized institutional rules and shared knowledge of belief systems. The central view of institutional theory is that organizational environments are characterized by the elaboration of rules and requirements to which individual organizations must adapt if they are to get support and legitimacy. According to DiMaggio and Powell (1991), the net effect of institutional pressures is to increase the homogeneity of organizational structures in an institutional environment.

Scott (2004) explains that once an organization is institutionalized, the norms and values become guides for organizational members to show what constitutes accepted behaviour. Therefore actions and behaviour of individual can be seen as a manifestation of the institutionalized rules and procedures of the organization. The Institutional theory is relevant to this study because it provides a theoretical lens of viewing organizations and more specifically commercial banks in Nyeri County and this is useful in helping understand dynamics of organizational aspects (Tushman & Romanelli, 2008). The theory was useful in determining those organizational cultures which have been adopted by different commercial banks in Nyeri County and make them so closely resemble one another. The theory was also applied to determine how differences in organizational cultures shape the nature and operations of the commercial banks. Consequently, this theory is applicable in demonstrating how power culture affected the process of strategy implementation and hence performance of the different banks in the county.

B. EMPIRICAL LITERATURE REVIEW

This section provides an analysis of past studies. The review was aimed at establishing the methodologies, objectives, findings and recommendations in past studies. The whole objective of the review was identification of knowledge gaps that remain unresolved. The gaps informed the framework adopted in the current analysis. Akuei (2016) conducted a study on the role of organizational culture on effective strategy implementation among Commercial Banks in South Sudan. The study relied on the application of both descriptive and explanatory research designs to achieve the
research objectives. Targeted by the study were top and middle managers of 29 commercial banks in South Sudan. Organizational Leadership as a factor under power culture was found to positively influence effective strategy implementation. The study recommended that the leadership of the organization should embrace a no-nonsense, aggressive and result oriented focus to achieve effective and smooth strategy implementation.

Njengah (2013) conducted a study on the analysis of factors affecting strategy implementation at Insurance Regulatory Authority and established that the top management has a very high influence on strategy implementation at IRA and exuded immense control of the organisation. The study identified communication styles as having notable influence to strategy implementation. Notably, the study recommended that the top down communication, characteristic of the power culture style, was key to speedy and cost effective strategy implementation. Atieno and Juma (2015) dwelt on the influence of organizational culture on organizational preferences towards the choice of organizational change strategy. The study established that of all the strategies assessed, the power coercive strategy characteristic with the power culture led to the fastest results in strategy implementation. The study however found that the power culture led to destruction of motivation and loyalty, created resistance to change, and was often associated with fast but inefficient implementation.

C. CONCEPTUAL FRAMEWORK

The conceptual framework developed represents strategy implementation as the dependent variable as indicated by the Earned Value Method. The independent variable was power culture as a dimension of organizational culture. The framework presents a hypothesized relationship between these variables.

![Conceptual Framework](image)

**Source:** Researcher (2017)

**Figure 2.1:** Conceptual Framework

III. RESEARCH METHODOLOGY

A. RESEARCH DESIGN

The study employed a descriptive survey research design in order to effectively explain power culture and strategy implementation by Commercial Banks in Nyeri County, Kenya. Kothari (2011) posits that the descriptive survey research design or approach seeks to determine what is happening in reference to particular variables or subjects. The justification for the choice of the descriptive survey research design for the study on power culture and strategy implementation was the fact that the phenomena under study could not be manipulated as it involved an already existing state of affairs.

B. TARGET POPULATION

The target population consisted of 84 respondents drawn from top management of all the 12 Commercial Banks with active operations in Nyeri County, Kenya as gathered from the Kenya Bankers Association (2017). The respondents included the Branch Managers, Operations Managers, Accountants, Credit Managers, Marketing managers, Customer Relations Managers and ICT Managers of all the Commercial Banks selected purposively as they were best equipped with the information sought concerning power culture and strategy implementation which are mainly top management issues. The study utilised a census study approach that to subject all the 12 commercial banks operating in the county to study.

C. DATA COLLECTION INSTRUMENT

Primary data resources were utilised for the study. The study collected primary data using questionnaires. To ensure that the data collected effectively met the research objectives, the study undertook tests to evaluate the validity and reliability status of the research instrument. Mugenda and Mugenda (2003) asserts that validity and reliability tests are contributory in ensuring that the research instrument is consistent and measures the parameters it is designed to measure.

\[ a. \text{ VALIDITY} \]

The study conducted tests to ensure that the research instrument actually measures the parameters it is intended to measure and gives the required information. The study was interested with ascertaining and ensuring the content, construct and face validity status of the instrument. The study used the expert opinion method in evaluating and improving the validity status of the research instrument. The researcher also sought expert opinion from the supervisor and other lecturers in a bid to ascertain the validity condition of the questionnaire. The study considered the recommendations made by the experts and made adjustments and improvements to their satisfaction. Mugenda and Mugenda (2003) fronted expert opinion as a useful method in assessing the validity of research instruments.

\[ b. \text{ RELIABILITY} \]

The study also involved tests aimed at evaluating and helping improve the reliability status of the research instruments. As Kothari (2011) posits, reliability refers to the extent to which a research instrument yields consistent results upon repeated administration. The study utilised the Cronbach’s Alpha Reliability test derived through the SPSS Software to test the research instruments for reliability. The Cronbach’s Alpha coefficient for 8 items stood at 0.754 which
was considered acceptable for the study purposes. According to Gliem and Gliem (2003), a reliability coefficient of greater than 0.70 would be considered “acceptable” in social science research circumstances.

D. DATA COLLECTION PROCEDURE

The drop and pick method was preferred for the current study and was used in administering the questionnaires. Using this approach, the researcher delivered the questionnaires to the respondents in person but picked them back at a later date with a justification that the target respondents were a busy category of employees with a lot of duties and commitments. Therefore, it would be quite hectic an impractical to secure sessions with all of them to fill questionnaires in the presence of the researcher.

E. DATA ANALYSIS AND PRESENTATION

The analysis procedure started with thorough data cleaning. According to Mugenda and Mugenda (2003), data cleaning, data scrubbing or data cleansing involves activities aimed at detecting and correcting corrupt or inaccurate records from the data set. This was followed by data sorting and categorisation in line with the research objectives. The study then employed both bivariate and multivariate analysis tools in analysis and generated descriptive as well as inferential statistics. The regression and correlation analysis were the key inferential statistical procedures aimed at guiding the generalisations or inferences to the entire population. The regression and correlation analysis played a vital role in elucidating the nature, magnitude, direction and strength of relationships unveiled between organisational culture and strategy implementation. The model sought was of the nature of the researcher.

\[ Y_{ij} = \beta_0 + \beta_1 X_{ij} + \epsilon \]

Where,

- \( Y_{ij} \) = Strategy Implementation.
- \( X_{ij} \) = Power Culture

While \( \beta_0 \) is the regression intercept representing the expected value of the dependent variable if all of the independent variables are zero, \( \beta_1 \), is the regression coefficient and is essentially the gradient of the regression line and \( \epsilon \) is the error term. The results of the current study were presented using tables, bar charts and pie charts as well as equations. Means and standard deviations were also presented to indicate the descriptive statistics on the issues assessed.

IV. RESEARCH FINDINGS AND DISCUSSIONS

A. RESPONSE RATE

A total of 84 questionnaires were supplied to the respondents. Out of these, 61 questionnaires were submitted back. This represented a response rate of 72.62%, a threshold considered acceptable for the study. As Mugenda and Mugenda (2003) recommends, a response rate of 50% is adequate, 60% good and above 70%, very good.

B. STRATEGY IMPLEMENTATION BY COMMERCIAL BANKS

Strategy implementation was indicated through Earned Value Method (EMV) indicators of time (compliance to implementation schedule), cost (compliance with implementation budget) and scope (compliance with the desired standards and deliverables). Table 4.1 presents statistics regarding strategy implementation for commercial banks in Nyeri County.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Min.</th>
<th>Max.</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time (compliance to implementation schedule)</td>
<td>61</td>
<td>1.00</td>
<td>5.00</td>
<td>4.1148</td>
<td>0.96779</td>
</tr>
<tr>
<td>Cost (Compliance with implementation budget)</td>
<td>61</td>
<td>1.00</td>
<td>5.00</td>
<td>3.9508</td>
<td>1.18920</td>
</tr>
<tr>
<td>Scope (Compliance with the desired standards)</td>
<td>61</td>
<td>1.00</td>
<td>5.00</td>
<td>3.8197</td>
<td>1.17627</td>
</tr>
</tbody>
</table>

Source: Survey data (2018)

Table 4.1: Strategy Implementation

The mean of the means with regard to time (schedule), scope (standards and deliverables) and cost (budget) metrics stood at (3.96) with the average standard deviation being (1.11). This was indicative of high compliance with strategy implementation in the banks based on time, cost and scope compliance metrics. The results agree with past findings by Akuei (2016) and Waititu (2016) who indicated high levels of strategy implementation among commercial banks.

B. POWER CULTURE

Table 4.2 presents statistics on the respondents’ level of agreement to various power culture manifestations in the commercial banks.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Min.</th>
<th>Max.</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power is used in our bank to exercise control and influence employees behaviour</td>
<td>61</td>
<td>1.00</td>
<td>5.00</td>
<td>3.7705</td>
<td>1.13127</td>
</tr>
<tr>
<td>There are few work procedures to followed in our bank</td>
<td>61</td>
<td>1.00</td>
<td>5.00</td>
<td>2.7541</td>
<td>1.62948</td>
</tr>
<tr>
<td>There is division of work among the employees in our bank</td>
<td>61</td>
<td>1.00</td>
<td>5.00</td>
<td>3.8197</td>
<td>1.05685</td>
</tr>
<tr>
<td>Power is held by just a few members of the bank</td>
<td>61</td>
<td>1.00</td>
<td>5.00</td>
<td>3.4590</td>
<td>1.46713</td>
</tr>
<tr>
<td>The bank mostly applies the top down communication style</td>
<td>61</td>
<td>1.00</td>
<td>5.00</td>
<td>3.6393</td>
<td>1.01707</td>
</tr>
</tbody>
</table>

Source: Survey data (2018)

Table 4.2: Power Culture Manifestations
The mean of the means for various power culture manifestations stood at (3.50). This generally indicated agreement on the respondents regarding practice of various power culture dimensions in the commercial banks in Nyeri County, Kenya. The average standard deviation for various power culture dimensions stood at (1.27), indicative that the data was held close to the mean therefore affirming the high level of application of the various power culture manifestations. The findings were in agreement with Njengah (2013), Janićijević (2012) and Atieno and Juma (2015) who established high level of application of various aspects of power culture in organisations.

C. EFFECT OF POWER CULTURE ON STRATEGY IMPLEMENTATION FOR COMMERCIAL BANKS

The one way analysis of variance was also done to establish the effect of each power culture on strategy implementation. Table 4.3 presents the results of the One Way Analysis of Variance (ANOVA) for power culture and strategy implementation.

<table>
<thead>
<tr>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig. or P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>5.7588</td>
<td>4</td>
<td>1.43970</td>
<td>1.910</td>
</tr>
<tr>
<td>Within Groups</td>
<td>64.8632</td>
<td>56</td>
<td>1.15827</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>70.6220</td>
<td>60</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Survey data (2018)

Table 4.3: One Way ANOVA: Power Culture and Strategy Implementation

The results demonstrated high standards of strategy implementation for commercial banks in Nyeri County, Kenya based on the Earned Value Method (EMV) indicators of time, cost and scope. Results indicated high compliance with time (implementation schedule), cost (implementation budget) and scope (desired implementation standards and deliverables). On power culture, the study established that the practice of various power culture dimensions in the commercial banks in Nyeri County, Kenya was present. The study indicated that power was used in the bank to exercise control and influence employees’ behaviour and that there was division of work among the employees in the bank. From the inferential statistics that allow inferences or generalisations to be made to the entire population, it was concluded that power culture was significantly influences strategy implementation.

From regression analysis results, the coefficient for power culture (0.575) was found to be significantly different from 0 because its p-value of 0.002 was less than 0.05 level of significance. The implication was that a unit adoption of power culture manifestations would lead to a 0.575 unit improvement in strategy implementation. The results agree with past findings by Akuei (2016), Njengah (2013) and Atieno and Juma (2015) who also indicated that power culture significantly influences strategy implementation.

Pearson Correlation Coefficient for power culture and strategy implementation based on the Earned Value Method (EMV) approach time (schedule compliance), scope (standards and deliverables compliance) and cost (budget compliance) as the indicators. The Pearson Correlation Analysis further informs a conclusion that power culture yields a moderate, positive and statistically significant relationship with strategy implementation. The study recommends that the organisation strikes a balance between the need to assert authority on employees with the need to make employees feel recognised and appreciated. There is also need to explore ways of enhancing the communication function in the organisation. There was need to embrace more creativity in the banks and define new ways to reduce work procedures that need to be
followed so as to enhance efficiency. Nonetheless, the study recommends an aggressive and result oriented leadership so as to achieve effective and smooth strategy implementation.

REFERENCES


