Contribution of Organizational Structure on Strategy Implementation in Kenya Government Tourism Agencies

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Abstract

Purpose: The purpose of this study was to examine the contribution of organizational structure on strategy implementation in Kenya government tourism agencies.

Methodology: The study used a positivist approach research philosophy. The research designs employed in this study were explanatory and descriptive research designs. The study population comprised of the tourism industry. The study included the ministry of tourism itself since it is the parent ministry that regulates and oversees the operations of the tourism agencies to give a total of 10 areas of study. A sample of 327 was achieved based on the following formula. This study used primary data. The study used questionnaires and interview guides to collect both qualitative and quantitative data. Quantitative data was analyzed through scientific methods while qualitative data was analyzed thematically. The descriptive statistics was first used to analyze the demographic factors of the respondents using frequencies and charts. Inferential statistics such as correlation and multiple linear regression analysis were used to test the relationship among the variables as per the study hypothesis.

Findings: The structure of an organization was found to have significant effect on the realization of objectives and profits in an organization. The organizational functions and targets, the structure of employee learning and growth and systems of communications have an influence on how organizations achieve their objectives and their profits. Culture also has been found to play its critical role in implementation of strategies and consequently realizations of set objectives and profits in organizations. Organizational norms, ethics, employee training and organizational climate are very key in achieving success while implementing strategies.

Unique Contribution to Theory, Practice and Policy: To effectively implement strategies in the tourism industry, the organizational structures need to have lines of communication, simple layer of reporting, flexible structure and good systems which ensure quick decision making in organizations.

Keywords: Organizational Structure, Tourism, Strategy Implementation


1.0 INTRODUCTION

Organizations in all sectors are striving to succeed despite the many challenges they face including issues of globalization, rapid changes, especially changes in technology and increased competition among others. Furthermore, organizations’ perspective today especially in the third world are striving to maximize on their merger resources to develop and grow their entities by use of their strategic managers. The success of most organizations largely depends on the availability of resources, organizational culture and the general management practices meant to compete with the other economies. The most important way to succeed is to use various determinants, which may favor implementation of strategies that must be important by way of yielding results. Organizational determinants are so crucial and indeed can lead to success or failure of any organization. On the other hand, strategy is an important component both at corporate level, business level and at implementation level. Strategy implementation is the last phase and particularly determines what an organization will be (Pearce and Robinson, 2013).

Although implementing strategy is a key driver of the emergence of strategic management in late 20th century (Cater and Pucko, 2010), it is however considered complicated and time consuming part of the entire strategic management while formulating a strategy is seen as intellectual and creative which mainly involves analysis and synthesis (Bell, Dean, & Gottschalk, 2010). Studies have also shown that a great deal of resources especially money, energy and time are spent by executives in formulating strategies but yet do not provide enough inputs required to implement it (Zaribaf & Bayrami, 2010). It is suggested that lack of emphasis on strategy implementation is the limitation for institutional strategy (Cowburn, 2006; Dooris, Kelley, & Trainer, 2002). It is therefore necessary to investigate the determinants of successful implementation of strategies.

Although implementing strategy is a key driver of the emergence of strategic management in late 20th century (Cater and Pucko, 2010), it is however considered complicated and time consuming part of the entire strategic management while formulating a strategy is seen as intellectual and creative which mainly involves analysis and synthesis (Bell, Dean, & Gottschalk, 2010). Studies have also shown that a great deal of resources especially money, energy and time are spent by executives in formulating strategies but yet do not provide enough inputs required to implement it (Zaribaf & Bayrami, 2010). It is suggested that lack of emphasis on strategy implementation is the limitation for institutional strategy (Cowburn, 2006; Dooris, Kelley, & Trainer, 2002). It is therefore necessary to investigate the determinants of successful implementation of strategies.

Strategy implementation was an important area of future research area in a survey carried out to investigate the views of Chief Executive Officers (CEOs) and strategic management professors about key research areas in the strategic management field (Goliaths & Hofmann, 1995; Pearce & Zahra, 1992). In another study by Corboy & O’Coribui (1999) it was found that seventy percent of strategic plans and strategies are never successfully implemented. Arguably, many of the most commonly cited causes for implementation failure are either myths or excuses that have gained credibility from being repeated often.

Mbaka & Mugambi (2014) study in the water sector in Kenya identified several factors that affect strategy implementation as: the strategy formulation process, relationship among different units or departments and different strategy levels, executors, communication, implementing tactics, consensus, commitment, organization structure, employees and inadequate resources among others. Denning (1989) in his study also identified the several problems of implementing strategic decisions: too much time taken in implementation, lack of capabilities of employees, lack of
training and other problems cropping up during the implementation that had not been identified beforehand as well as lack of proper coordination of staff.

The Kenyan government does acknowledge that over the years there has been poor performance in the public sector, especially in the management of public resources which has hindered the realization of sustainable economic growth (GoK, 2015). The government reiterates in the Economic Recovery Strategy (ERS) some of the factors that adversely affect the performance of the public sector. These include excessive regulations and controls, frequent political interference, poor management, outright mismanagement and bloated staff establishment (Mayaka & Prasad, 2012). To improve performance, the government has continued to undertake a number of reform measures. However, these measures have not provided a framework for guiding behavior towards attainment of results or ensured accountability in the use of public resources and efficiency in service delivery. The initiatives for instance lack the performance information system, comprehensive performance evaluation system and performance incentive system (GoK, 2015).

A gap shown in the current national tourism strategy is the problem of lack of implementation of plans by the various agencies of tourism thus affecting the realization of set goals of the sector. Furthermore, the Kenya National Bureau of Statistics (KNBS) (2013) Economic survey advocates for the implementation of strategies to accelerate growth of the sector that including full operationalization of the Tourism Act 2011, increased investment in infrastructure, improved security, and implementation of Vision 2030 flagship projects such as development of resort cities, and continued diversification of source markets. This study intends to discuss the how various organizational structures determine the strategy implementation.

Statement of the Problem

For many years, strategy formulation has been widely regarded as the most important component of the strategic management process more important than strategy implementation or strategic control. However, recent research indicates that strategy implementation, rather than strategy formulation alone, is a key requirement for superior business performance (Zaribaf & Bayrami, 2010; Pearce & Robinson, 2013; Ritson, 2013; Schaap 2012; Flood, Dromgoole, Carroll & Gordon 2000; Kaplan & Norton, 2001). In addition, there is growing recognition that the most important problems in the field of strategic management are not related to strategy formulation, but rather to strategy implementation, and that the high failure rate of organizational initiatives in a dynamic business environment is primarily due to poor execution of policies in strategy implementation process (Cole, 2013; Chi-Hung & Pai, 2012).

The expected performance of the tourism industry especially in achieving 3 million tourists per year in Kenya has been a major challenge. Kenya is marketed through the Kenya Tourist Board (KTB). In 2014, the international arrivals declined by 11.1 percent from 1519.6 thousand to 1350.4 thousand in 2014 while tourism earnings declined by 7.3 per cent from Kshs. 94.0 billion to Kshs 87.1 billion over the same period. Subsequently, the number of bed-nights occupied reduced from 6,596.7 thousand in 2013 to 6,281.6 in 2014. Further, the number of international conferences decreased in 2014 by 19.4 percent as a result of reduced business arrivals. The number of visitors to parks and game reserves also reduced from 2,337.7 thousand in 2013 to 2,164 thousand in 2014. Similarly, visitors to museums, snake parks and other historical sites in Kenya declined by 10.4 percent from 770.8 thousand in 2013 to 690.9 thousand in 2014 (GoK, 2014). In 2012, the international tourist arrivals were 1,780,768 million compared to the projected number of 2.7 million tourists. There was a short fall of 0.3 percent in 2012 compared to 1,785,382 tourists in 2011. In 2013, the projections for international arrivals were 3 million and only 2.1 were received.
As a result, tourism earnings, which are a key source of foreign exchange earnings, decreased by 1.92 per cent from Kshs 97.90 billion in 2011 to Ksh 96.02 billion in 2012. There was a drop in tourist arrivals from Europe which is Kenya’s key source market notably from United Kingdom, Italy and Germany. The traditional tourist source markets for Kenya are: Europe at forty three percent share, Africa at twenty four percent, America at thirteen percent, Asia at twelve percent, Middle East at 5 percent and Oceania at 3 percent (GOK, 2015). The tourism performance fell below the medium targets. The main problem cited is poor or lack of implementation of strategies in improving the performance of the sector. This study therefore seeks to address this practical gap.

The study therefore sought to address the practical, knowledge and managerial gaps noted above which include persistent high performance failure rates as explained earlier, failure of the Kenya tourism agencies to meet their purpose for which they were established, specifically not realizing their objectives specifically; lack of meeting their financial and non-financial mandates including profit realization and poor or low rate of return on investment causing massive unemployment and high labor turnover and exits, lack of implementation of budgeted project, thus affecting the performance of the government and draining the exchequer. This study further solves the knowledge gap by contributing more to the literature in the tourism industry and the management gap noted within the department of tourism. Additionally, after noting the various challenges which remained real as indicated above, the researcher did a study on variables that may enable the mitigation of the specific problems. Thus the urge to understand the contribution of organizational structure on strategy implementation in Kenya government tourism agencies.

2.0 LITERATURE REVIEW

Theoretical Framework

Implementation Theory

This theory focuses on understanding and explaining the process of implementing strategies within organizations. It examines factors such as organizational structure, leadership, and communication that influence the successful execution of strategies. In this study, it will be utilized to analyze how the organizational structure of Kenya Government Tourism Agencies affects the implementation of their tourism strategies.

Stakeholders Theory

Stakeholders’ theory emphasizes the importance of considering the interests and expectations of various stakeholders involved in an organization. In the context of this study, it will be used to assess how the organizational structure of the government tourism agencies in Kenya affects the engagement and involvement of different stakeholders (tourists, local communities, industry partners) in the strategy implementation process.

Force Field Analysis

Force Field Analysis model, developed by Kurt Lewin, helps identify and analyze the driving and restraining forces that impact the successful implementation of change within an organization. This model will be applied to examine the forces influencing the implementation of tourism strategies in Kenya's government agencies, including how the organizational structure can act as a driving or restraining force.
The Higgins's Eight (8) S Model

This model provides a framework for analyzing the key elements necessary for successful strategy implementation. The eight S's include strategy, structure, systems, shared values, skills, staff, style, and stakeholder. In this study, it will focus specifically on the "structure" component to investigate how the organizational structure of Kenya Government Tourism Agencies influences the implementation of their strategies.

Empirical Literature

Olson, Slater and Hult (2005) conducted a study on the importance of structure and process to strategy implementation. A study involving over 200 senior managers demonstrated that overall firm performance was strongly influenced by how well a firm’s business strategy is matched to its organizational structure and the behavioral norms of its employees. The authors identified a taxonomy comprised of four different combinations of structure/behavior types, which they label as: Management Dominant, Customer-Centric Innovators, Customer-Centric Cost Controllers, and Middle Ground. These alternative structure/behavior types were then matched with specific business strategies (i.e., Prospectors, Analyzers, Low Cost Defenders, Differentiated Defenders) in order to identify which combination(s) of structures and behaviors best serve to facilitate the process of implementing a specific strategy.

Awino (2001) study which investigated effectiveness and problems of strategy implementation of financing higher education in Kenya by the higher education loans board identified lack of fit between strategy and structure as factor affecting successful strategy implementation. He cited lack of fit between strategy and structure; inadequate information and communication systems; and failure to impart new skills. Koske (2003) observes that there are many organizational characteristics, which act to constrain strategy implementation. He identified most challenges as concerning connecting strategy formulation to implementation; resource allocation; match between structure with strategy; linking performance and pay to strategies; and creating a strategy supportive culture. Whilst the strategy should be chosen in a way that it fits the organization structure the process of matching structure to strategy is complex (Bryars et al 1996).

Bushardt, et al (2011) studied the relationship between organizational culture and organizational reward structure and found that they are positively correlated. The article of Feurer, Chaharbaghi, and Wargin (1995) investigated the strategic implementation process at leading computer giant Hewlett-Packard and proposed that support structures in the form of formal organizational structures are necessary for employees to act readily on the knowledge developed to craft and implement strategy. The organizational structure provides a visual explanation of two main things: the decision-making process and resource allocation.

In a strategy structure study, Chandler (1962) suggested that organizational structure has been influenced by the organization’s strategies “structure follows strategy”. Concurring with Chandler’s (1962) study, Zaribaf and Bayrami (2010) revealed that strategy is formulated by top management exclusively and middle-level managers only implement the strategy unless a wide range of changes is required before implementation (structure alignment with strategy).

In contrast, Lorange (1998) presented a concern with business restructuring and proposed that it has to be outweighed by the anticipated gains of the new strategy. He said that too often the restructuring or right-sizing efforts lead to the unintentional discarding of know-how that could have been used for future growth in another context. Many studies have addressed the link between organizational strategy and structure by pointing out that one of the challenges in strategy
implementation is weak coordination of activities. Similarly, Miller, Wilson, and Hickson (2004) proposed turning poor coordination into teamwork by realigning roles, responsibilities, and accountabilities with strategy. In contrast, Brache (1992) proposed that from an implementation perspective, it is more valuable for an organization to apply cross-functional processes to enforce strategy implementation than to change the organizational structure. Bhimani and Langfield (2007) focused their study on how organizational structure influences strategy implementation and found the process of strategy implementation to be structured and formal. They also concluded that during the strategy development process greater emphasis is placed on financial information, but during the implementation phase both financial and non-financial information are emphasized. In an exploratory study involving corporate communication and strategy implementation, Forman and Argenti (2005) found that the internal communication within a company has an overarching hand not only in making strategy, but also in successfully implementing strategy.

Funk (1993) explored the process of product development and implementation strategies in large Japanese and American companies and concluded that Japanese firms, in contrast to American firms, implement strategies using a combination of organic and mechanistic structures. Similarly, the study of Markiewicz (2011) also reflected the importance of processes and structures in the successful implementation of strategies and proposed that creativity, innovation, and perception of an organization as processes are very important in implementing strategies.

In addition to the research described above, Matanda & Ewing (2012) studied multinational personal healthcare company Kimberly-Clark’s implementation strategies and found that brand planning processes, global branding and marketing capabilities, and processes contributed to the company’s success. In line with the above studies, Slater, Olson, and Hult (2010) investigated six types of generic strategies and their implementation and concluded that the most influential perspective needed for business success requires a fit between strategy and organizational architecture. Organizational structure and design are important as they entail decisions related to resource allocation for various units and activities within the business ecosystem (Brenes, Mena, & Molina, 2008).

According to Weihrich, Koontz & Cannice (2010) an organization is a formalized structure of roles and positions. This organization should not necessarily be inflexible but to a certain extent, it should provide for an optimal performance of individuals in achievement of organizational goals by allowing some flexibility, room for decision-making, optimal utilization and recognition of talents and capabilities. In designing an organizational structure, Saleemi (2006) emphasizes on the need to include flexibility and efficiency as some of the major considerations.

Decision-making could be slower in organizations with many levels. According to Koteen (1997) managers at the highest levels, who are responsible for making organization-wide decisions, are often not equipped with complete or timely information to do so, as it takes a substantial amount of time for information to reach them. Gareth, (2011) argues that slow decision making increases organizational costs, impedes performance and may result in organizational failure. Decision-making is usually slower in hierarchical structures because responsibility and authority are concentrated in a few people at the top.
Conceptual Framework

**Independent Variable**

<table>
<thead>
<tr>
<th>Organizational Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Org. Functions</td>
</tr>
<tr>
<td>Individual target</td>
</tr>
<tr>
<td>Comm. Channel</td>
</tr>
<tr>
<td>Learning &amp; Growth</td>
</tr>
</tbody>
</table>

**Dependent Variable**

<table>
<thead>
<tr>
<th>Strategy Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objectives realizations</td>
</tr>
<tr>
<td>Profit/surplus realization</td>
</tr>
<tr>
<td>Time</td>
</tr>
<tr>
<td>Feedback</td>
</tr>
</tbody>
</table>

*Figure 1: Conceptual Framework*

### 3.0 METHODOLOGY

A research philosophy is a belief about the way in which data about a phenomenon should be gathered, analyzed and used. The study used a positivist approach since it was testing hypothesis. The research designs employed in this study were explanatory and descriptive research designs. An explanatory survey design was used to show how variables relate to each other. Explanatory research focuses on ‘why’ questions. Answering the ‘why’ questions involves developing causal explanations. Descriptive research design is a scientific method that involves observing, case studies or surveys to describe the behaviour of a certain subject without really influencing it in any way. In this research, descriptive research design was employed to reveal the organizational factors which affect implementation of strategies. This study population comprised of the tourism industry. According to the ministry of tourism, there were nine tourism agencies that are operational. The study included the ministry of tourism itself since it is the parent ministry that regulates and oversees the operations of the tourism agencies to give a total of 10 areas of study. The targeted population comprised of government tourism agencies employees in the senior management; corporate, business and functional. The target population is considered more knowledgeable as they were involved in both strategy formulation and implementation. Each agency has a set of senior management dependent on their nature of operations. The executive management was composed of chief executive officer (CEO), the deputy CEO, The finance director (FC), the human resource manager (HRM), Director of research and corporate planning, director of studies, director of marketing, hotel manager, internal audit and others. The study used a list from Human Resource department from each of agency as the sampling frame. The study employed stratified random sampling, which is a type of probability sampling techniques in selecting the respondents of the study. Yamane’s formula of 2001 was used to determine the sample size from population within each stratum. In the sampling of the respondents, a standard error of 95% was considered in the sampling calculation. A sample of 327 was achieved based on the following formula. This study used primary data. The study used questionnaires and interview guides to collect both qualitative and quantitative data. The researcher did a pilot study of 20 questionnaires to test the data collection tool and the processes of collection. Reliability was tested using questionnaire duly completed by 20 randomly selected respondents. These respondents were not included in the final study sample in order to control for response biasness. This study used questionnaires and interviews to obtain both quantitative and qualitative data for analysis. Qualitative data was collected using interview guide. Face-to-face discussions helped to clarify the research questions, but also provided opportunities to gather more information from the respondents. This study adhered to appropriate research procedures and all sources of information would be acknowledged as far as possible. Quantitative data was analyzed through scientific
methods while qualitative data was analyzed thematically. The questionnaires from the field were subjected to a thorough process of validation to ensure completeness of the questionnaires. Completely answered questionnaires were then sorted, coded and entered into a statistical package for social sciences (SPSS version 22) to aid in analysis of inferential statistics and descriptive statistics. The descriptive statistics was first used to analyze the demographic factors of the respondents using frequencies and charts. The study employed descriptive analysis in establishing frequencies and percentages while inferential statistics such as correlation and multiple linear regression analysis were used to test the relationship among the variables as per the study hypothesis.

4.0 FINDINGS AND DISCUSSIONS

The researcher targeted a sample of 327 respondents to participate in the study. The total number of study tools distributed was 327 out of which 259 were filled and collected while the remaining 68 questionnaires were not responded to due to time and absenteeism of the respondents. Thus the study had a response rate of 79.2%. Most of the respondents (39.4%) were of the age bracket 31-39 years, followed by 31.1% under the age bracket 40-49 years and thirdly 14.7% who were of the age bracket of 50 years and above. 44.7% of the respondents had master’s degree, followed by 37.3% who had undergraduate degrees and thirdly 16.5% who had studied up to diploma level. Majority of the respondents who participated in this study were holding senior management positions in their organization (57.5%). This class of respondents were closely followed by the lower level managers (33.7%) and lastly top managers and executive who accounted for 9.2% of the total respondents. 34.95% of the respondents had worked in their current positions for a period between 5-10 years. A proportion of 31.0% had worked in their current positions for either 5 years or less than 5 years while 16.9% had worked for 11-15 years in their current positions.

Correlation Analysis

The results shows that organizational functions (r=0.768), institutional targets (r=0.758), learning and growth (r=0.692) and organizational communication(r=0.615) had a positive correlation with objective realization. Similarly, organizational functions, institutional targets, learning and growth and communication had r values 0.591, 0.575, 0.489 and 0.510 respectively when correlated with profit realization. This implies that all the sub variables of structure had a positive correlation with objective and profit realization which were both used as indicators of strategy implementation.

Table 1: Correlation between Organizational Structure and Strategy Implementation

<table>
<thead>
<tr>
<th></th>
<th>OS_Functions</th>
<th>OS_ORG Function</th>
<th>OS_Target</th>
<th>OS_LGrowth</th>
<th>OS_Comm</th>
<th>IS_Objective Realization</th>
<th>IS_Profit Realization</th>
</tr>
</thead>
<tbody>
<tr>
<td>OS_Functions</td>
<td>1</td>
<td>.482**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OS_ORG Function</td>
<td>.774**</td>
<td>1</td>
<td>.417**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OS_Target</td>
<td>.719**</td>
<td>.440**</td>
<td>.711**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OS_LGrowth</td>
<td>.537**</td>
<td>.426**</td>
<td>.566**</td>
<td>.517**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OS_Comm</td>
<td>.768**</td>
<td>.569**</td>
<td>.758**</td>
<td>.692**</td>
<td>.615**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>IS_Objective Realization</td>
<td>.591**</td>
<td>.477**</td>
<td>.575**</td>
<td>489**</td>
<td>.510**</td>
<td>.689**</td>
<td>1</td>
</tr>
</tbody>
</table>

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

Regression Analysis

27
Organizational Structure and Objective Realization

A regression test was done to establish the effect of organizational structure on the realization of objectives of a strategy. The model summary shows R value of 0.855 indicating that organizational structure had strong positive relationship with objective realization. The value of R square was 0.731 showing that organizational structure accounted for 73.1% of the variations in implementation of strategy (objective realization).

Table 2: Model Summary for Organizational Structure and Objective Realization

<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>.855a</td>
<td>.731</td>
<td>.725</td>
<td>.38986</td>
</tr>
<tr>
<td>a. Predictors: (Constant), OS_Comm, OS_ORGFunction, OS_LGrowth, OS_Itarget, OS_Functions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The ANOVA shown in Table 3, was used to test the goodness of fit of the model. The results F (5,221) =120.053, p<0.01 confirms that the predictors in the model significant influence the dependent variable (objective realization).

Table 3: ANOVA Table for Organizational Structure and Objective Realization

<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 Regression</td>
<td>91.235</td>
<td>5</td>
<td>18.247</td>
<td>120.053</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>33.590</td>
<td>221</td>
<td>.152</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>124.826</td>
<td>226</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Dependent Variable: IS_ObjectiveRealization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Predictors: (Constant), OS_Comm, OS_ORGFunction, OS_LGrowth, OS_Itarget, OS_Functions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From regression coefficient Table 4 it is seen that all the sub variables of structure had t values of more than 1.96 and corresponding p values of less than 0.05 which means each of the sub variable had a significant influence on objective realization which was a measure of strategy implementation. The resulting SE for organizational structure and objective realization was thus given as:

Table 4: Regression Coefficients for Organizational Structure and Objective Realization

<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></td>
<td>Beta</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.001</td>
<td>.146</td>
<td></td>
<td>.008</td>
</tr>
<tr>
<td>OS_Functions</td>
<td>.210</td>
<td>.056</td>
<td>.242</td>
<td>3.781</td>
</tr>
<tr>
<td>OS_ORGFunction</td>
<td>.170</td>
<td>.039</td>
<td>.186</td>
<td>4.383</td>
</tr>
<tr>
<td>OS_Itarget</td>
<td>.266</td>
<td>.054</td>
<td>.294</td>
<td>4.954</td>
</tr>
<tr>
<td>OS_LGrowth</td>
<td>.114</td>
<td>.046</td>
<td>.138</td>
<td>2.470</td>
</tr>
<tr>
<td>OS_Comm</td>
<td>.165</td>
<td>.043</td>
<td>.176</td>
<td>3.881</td>
</tr>
</tbody>
</table>

Dependent Variable: IS_ObjectiveRealization

IS_ObjectiveRealization= (0.210)*OS_Functions + (0.170) * OS_ORGFunction + (0.266) * OS_Itarget + (0.114) * OS_LGrowth + (0.165) * OS_Comm+0.01
Organizational Structure and Profit Realization

To test the hypothesis whether organizational structure affects profit realization, the researcher did a multiple linear regression test. The value of R was 0.683 showing that organizational structure and profit realization had a strong positive relationship. The value of R Square was 0.466. Thus organizational structure accounted for 46.6% of variation in profit realization and the rest 53.4% was accounted for by other factors as shown in table 5.

Table 5: Model Summary for Organizational Structure and Profit Realization

<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>.683a</td>
<td>.466</td>
<td>.454</td>
<td>.44062</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), OS_Comm, OS_ORGFunction, OS_LGrowth, OS_Itarget, OS_Functions

The goodness of fit of the model was tested through the ANOVA test. The value of the F statistic was given by F (5,220) =38.429, p<0.001. The p value was less than 0.05 confirming that organizational structure was a significant predictor of profit realization and that the results were consistent and were not through a chance.

Table 6: ANOVA Table for Organizational Structure and Profit Realization

<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>Regression</td>
<td>5</td>
<td>7.461</td>
<td>38.429</td>
<td>.000b</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>220</td>
<td>.194</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>225</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

a. Dependent Variable: IS_ProfitRealization

b. Predictors: (Constant), OS_Comm, OS_ORGFunction, OS_LGrowth, OS_Itarget, OS_Functions

The results on Table 7 shows the elasticities of the sub variables of organizational structure on profit realization, which was used to measure strategy implementation. The results shows that organizations functions, institutional targets and organizational structural communication significantly affect profit realization of an organization (had p values less than 0.05). Some variables such as functions of the organizations and the learning and growth of the employees were not significant predictors of profit realization (had p values greater than 0.05).

Table 7: Regression Coefficients for Organizational Structure and Profit Realization

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Std. Error</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.427</td>
<td>.169</td>
<td>8.463</td>
</tr>
<tr>
<td></td>
<td>OS_Functions</td>
<td>.105</td>
<td>.063</td>
<td>.150</td>
</tr>
<tr>
<td></td>
<td>OS_ORGFunction</td>
<td>.188</td>
<td>.044</td>
<td>.249</td>
</tr>
<tr>
<td></td>
<td>OS_Itarget</td>
<td>.146</td>
<td>.061</td>
<td>.202</td>
</tr>
<tr>
<td></td>
<td>OS_LGrowth</td>
<td>.004</td>
<td>.052</td>
<td>.006</td>
</tr>
<tr>
<td></td>
<td>OS_Comm</td>
<td>.184</td>
<td>.048</td>
<td>.240</td>
</tr>
</tbody>
</table>

a. Dependent Variable: IS_ProfitRealization

The structure of an organization is a key factor in strategy implementation. The study found that the structure of organizations such as organizational functions, individual targets, learning and
growth culture and organizational communication were directly related with implementation of strategies in organizations (objective realization and profit realization). Also an organization which has decentralized functioning system in the long run produce more new ideas and more actual program changes than will a centralized organization (Pucko & Cater, 2008). The own individual targets of the employees is a key aspect of strategy implementation. If the structure of an organization is flat and flexible, the employees in their respective departments have some autonomy of their areas and responds rapidly to the needs of the environment (Markiewicz, 2011). Lastly, the communication channels of an organization should be both horizontal, vertical and flexible to provide rapid awareness of and response to environmental changes through more effective information sharing, and a significant reduction in the lag between decision and action (Bushardt, Glascoff & Doty (2011).

Bushardt, et al. (2011) studied the relationship between organizational culture and organizational reward structure and found that they are positively correlated. This study revealed a significant direct relationship between organizational structure and implementation of strategies. Further, the structure of an organization influences the implementation of strategies in organizations. The results concur with the views of Brenes, Mena, & Molina, (2008) that organizational structure and design were important as they entail decisions related to resource allocation for various units and activities within the business ecosystem.

The functions of an organization, the functioning systems of an organization, the institutional targets, learning, growth and organizational communication were found to influence the realization of objectives in organizations. The individual targets setting and the functioning systems of an organization contributed highly towards realization of objectives in organizations. Similarly, the study found that structural alignment on functioning systems of organizations, individual target setting and communication affect realization of profits in organizations. The functioning system of an organization and organizational communication influenced realization of profits highly compared to other aspects of organizational structure.

Apart from the results given above, the respondents also highlighted other structural issues affecting implementation of strategies. Structure could lead to success of implementation when it gave out clear segregation of duties and tasks, enhanced chain of command to improve flow of information, easily facilitates job description, and fits the strategic plans and staff productivity. Also dynamic structures which can adopt new development with proper alignment of skills, appropriate degree of authority to manage departments and the one that enhances coordination among various organizational departments could easily allow smooth implementation of strategies. Structures which accommodate internal and external resources, gives balance distribution of tasks and with monitoring and evaluation mechanism were also felt to be easier to work with when implementing strategies. Also structure could improve implementation of strategies if it supports employee growth and learning, encourages open relationship and one with decentralized tasks. The results concur with Olson, Slater & Hult (2005) who concluded that overall firm performance was strongly influenced by how well a firm’s business strategy was matched to its organizational structure and the behavioral norms of its employees.

According to Pearce and Robinson (2013) coordination and conflicts across functional units are the perpetual challenge in functional structures. In this study, the structures posed a challenge towards implementation of strategies in organization: it encouraged bureaucracies, had no clear reporting lines, very complicated structure with many levels, has top down approach of doing things which does not favour inclusion. Also structures which encourage rigidity, inflexibility
disfavor timely response hinder effective communication which is essential for implementing strategies. Also structures which have no clear roles may lead to overlap of roles of different departments which encourage duplication of work.

Organizational structure in the public sector should be well defined with clear job descriptions which clearly highlight what should be done by each individual and clearly segregate the duties and tasks per individual. Job description should be given upon employment which is not the case in some agencies. Some employees lamented that they were never given a job description even upon ten years of employment. This clearly affects performance.

Indeed, organizational structures and clear lines of communication, clear reporting lines and coordination of tasks should be outlined. There is a lot of bureaucracy which affects implementation of strategies in the tourism agencies. The structure of the agencies has the cabinet secretary as the head of the ministry with principal secretary and other senior government officials. With this kind of structure, decisions are hard to be implemented immediately. It is encouraged that the bureaucratic system be flattened to allow for quicker performance and implementation of strategies. The time taken in boardrooms and meetings for consultation is largely seen to hinder objective realization of these agencies. These views are in line with other strategic management researchers (Pella et al; Pearce and Robinson, 2013; Cole & Kelly, 2011; Matthias & Sascha, 2008).

5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

The structure of an organization was found to have significant effect on the realization of objectives and profits in an organization. The organizational functions and targets, the structure of employee learning and growth and systems of communications influence how organizations achieve their objectives and their profits. Culture also has been found to play its critical role in implementation of strategies and consequently realizations of set objectives and profits in organizations. Organizational norms, ethics, employee training and organizational climate are very key in achieving success while implementing strategies.

The structure of an organization acts as a pivot between implementation and the implementers. An organization with a good structure which has defined tasks and responsibilities, well put functions, target setting, learning and growth and organizational communication are key in ensuring effective implementation of strategies. The structure of an organization influences how the strategies are implemented in public tourist agencies in Kenya.

The results showed a positive relationship between organizational structure and strategy implementation. The structure of organizations affects the effectiveness of implementing organizational strategies. However, to effectively implement strategies in tourism industry, the organizational structures need to have lines of communication, simple layer of reporting, flexible structure and good systems which ensure quick decision making in organizations.

The study collected data on the factors influencing implementation of strategy among the public sector tourism organizations. However, this type of industry is unique and the factors could affect the strategies and activities related to the implementation exercises differently from other industries. Also the data was collected from public organizations which are bound by the statutory laws and regulations. Mostly the processes are lengthy and time consuming. This could be different in private sector organizations. Also the approval of budgets in public sector takes a process and the same bit of time too. For a good understanding of factors affecting strategy implementation, it is thus recommended that similar studies be done in other industries so as to reveal more about the implementation of strategies in different organizations.
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