ROLE OF ORGANIZATIONAL CULTURE ON EFFECTIVE STRATEGY IMPLEMENTATION AMONG COMMERCIAL BANKS IN SOUTH SUDAN

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Presentation Outline

• Problem Statement
• Research Hypothesis
• Research Design
• Sampling Design
• Data Collection
• Analysis & Findings
• Conclusions & Recommendations
Introduction

• Chen, Yang and Yeh (2007) noted that currently the banking industry is under pressure.

• McLaren (2011) argued that human resource is a company’s organizational glue.

• She states that a fully engaged, workforce ready human resource team in place gives the strong adhesive which bonds an entire organization together.

• Understanding the relationship between organization glue and strategy implementation could unravel the reasons as to why commercial banks in South Sudan fail to effectively implement their strategies.
Problem Statement

• Many studies on organizational cohesiveness have been carried out, Gurowitz (2008) in his study found that cohesiveness and relationships are made of interactions, influence, communication and power dynamics, among other elements that occur in a systematic or structured manner.

• Weymes, (2008) notes that lack of dedication to strategic management practices by top management and other employees of the organizations results in poor implementation.

• There is however scanty information on the same on South Sudanese Commercial Banks.
Hypotheses

• H1: Dominant characteristics have no influence on effective strategy implementation.
• H2: Organizational leaders do not influence effective strategy implementation.
• H3: Management of employees does not influence effective strategy implementation.
• H4: Organizational glue does not influence effective strategy implementation.
• H5: Strategic emphases do not influence effective strategy implementation.
• H6: Criteria of success do not influence effective strategy implementation.
• H7: Central bank regulation does not have moderating effect on the relationship between organizational culture and effective strategy implementation.
CONCEPTUAL Framework

Independent Variables

Organizational Culture

Moderating Variable

Central Bank Regulation

Dependent Variables

Effective Strategy Implementation
- Policy Formation
- Policy Implementation
- Resources
- Motivation
- Structural Factors

Dominant Characteristics

Organizational Leaders

Management of Employees

Organizational Glue

Strategic Emphases

Criteria of Success

Central Bank Regulation
Research Design

• The research design to be employed in this study will be descriptive and explanatory in nature.

• This design will be adopted due to its usefulness in studies to test the relationship between variables in a population.

• Descriptive studies describe characteristics associated with the subject population (Cooper and Schindler 2000).

• The target population of this study is 29 commercial banks.
Sampling Design

• Thus out of a population of 290 top and middle managers of commercial banks in South Sudan, the study uses Yamane (2001) to calculate the sample size.

\[ n = \frac{N}{1 + N(\varepsilon^2)} \]

\[ n = 290/(1 + 290(0.05^2)) \approx 168 \]

Therefore

After size was determined Purposive sampling technique was used to select top and middle managers from the 29 commercial
Data Collection & Analysis

• A questionnaire was the main instrument of this research
• Chronbach’s alpha was used to test the questionnaire on its reliability, which was found to be 0.79.
• Data was analysed by use of the following multiple linear regression model

\[ SI_i = \beta_0 + \beta_1 DC_i + \beta_2 OL_i + \beta_3 ME_i + \beta_4 OG_i + \beta_5 SE_i + \beta_6 CSE_i + \varepsilon_i \]

• SI denotes effective strategy implementation of commercial bank i, DC denotes dominant characteristics, OL denotes organizational leaders, ME denotes management of employees, OG denotes organizational culture, strategic emphases and criteria of success. \( \beta \)'s are the parameters to be estimated and \( \varepsilon \) is the error term
Analysis & Findings

• The study also sought to examine the moderating effect of central bank regulation on effective central bank regulation. The following hypothesis was tested:

• H0: Central bank regulation does not have moderating effect on the relationship between organizational culture and effective strategy implementation.

The results in table 1.0 indicate that there was no moderation effect at 10 percent significance level since all the coefficients had a p-value greater than 0.10.
<table>
<thead>
<tr>
<th>Parameter</th>
<th>Estimate</th>
<th>Std. Error</th>
<th>Significance</th>
</tr>
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<tbody>
<tr>
<td>Central Bank Regulation</td>
<td>0.374</td>
<td>0.080</td>
<td>0.000</td>
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<td>Dominant characteristics and Central Bank Regulation</td>
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<td>0.536</td>
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<td>Organizational Leadership and Central Bank Regulation</td>
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<td>Management of Employees and Central Bank Regulation</td>
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<td>0.467</td>
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<td>Organizational Glue and Central Bank Regulation</td>
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<td>Strategic Emphasis and Central Bank Regulation</td>
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<td>Success Criteria and Central Bank Regulation</td>
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<td>0.090</td>
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</table>
Conclusions

• To measure organizational culture, the study assessed dominant characteristics, organizational leadership, management of employees, organizational glue, strategic emphasis, and criteria of success.

• The study found that it is only the organizational leadership which had a significant effect on effective strategy implementation. We therefore conclude that it is key for organizations to identify the part of organization culture that touches on organizational leadership if it aims at improving the effectiveness of strategy implementation.
Recommendations

• This study therefore recommends that for robustness of the results, a study on whether and how organizational culture affects effective strategy implementation in the public service. Public service is huge and slow to change.