

Influence of Organizational Structure on Strategy Implementation and Its Effect on Performance of Public Universities in Kenya

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Abstract

The study's objectives were to determine the influence of organizational structure on the performance of public universities in Kenya and to assess whether these factors affected their performance. A descriptive research design was used to analyze the data in this study, and a census approach method was employed. Structured questionnaires were used to gather the data, and Microsoft Excel and the Statistical Package for the Social Sciences (SPSS) were used for analysis. Specifically, the regression coefficient ($\beta=0.245$, $p=0.038<0.05$) underscored that the organizational structure of public universities in Kenya significantly influences their performance. Therefore, the study concluded that H02 was substantiated, affirming that organizational structure plays a pivotal role in shaping the performance of Kenya's public universities, as supported by the compelling statistical evidence. Top management in public universities should prioritize effective resource allocation. This involves ensuring the timely disbursement of financial resources, providing adequate human and technological resources, and implementing the strategy. Continuous evaluation and updating of the organization's structure to align with strategic goals and improve operational efficiency is essential. Promoting a culture of innovation and risk-taking by creating a conducive environment that inspires employees to think creatively and contribute to the implementation of strategic plans will further enhance performance.

Keywords: *Strategy implementation, organizational structure, performance, public universities*

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1. Introduction

The higher education industry in Kenya has recently recognized the importance of strategic planning to keep pace with the dynamic nature of the corporate world. Public universities have emerged as a key driver of the human resources required to advance the country's social and economic growth, as well as a key pillar in the attainment of the Vision 2030 dream and medium development goals (MDGs). The first strategic plan was adopted in 2005 at the University of Nairobi for the period 2005-2010.

The courses that public universities offer play an important role in producing graduates who can be absorbed into the marketplace and help steer the wheel of national development. With the introduction of free primary education and increased subsidies for secondary education, the

need for higher education in Kenya has increased, leading to a strain on available resources in public universities.

In addition, increasing competition, shifting demographics, reduced financing, shifting technology, high inflation, aging facilities, and demanding education regulations are only some of the factors that have led to the rapid transformation of higher education. Mwanthi (2018) found that educational administrators face difficulty in improving educational processes on college and university campuses by anticipating and developing proactive responses to changes.

Josephine (2021) found that in Kenya, the success of a company's strategy relied heavily on four factors: open lines of communication, sufficient funding, a well-defined structure, and the backing of the company's upper management. Organization structure, Organizational culture, leadership styles, and resource allocation are all discussed by Kianda and Kitur (2021) as elements in the successful implementation of a company's strategy. Nini and Kihara (2023) found that organizational culture, organizational structure, leadership styles, and financial resources significantly affect the implementation of strategic plans among Western Region County Governments in Kenya.

Currently, there are 35 public universities in Kenya, all of which were founded in accordance with the Universities Act, 2012, which controls the establishment, accreditation, and management of universities as well as the growth of higher education in the country.

Higher education institutions in the modern knowledge-based economy need to position themselves to drive positive social and economic change. Strategic planning at educational institutions is crucial because it helps them understand how to best adapt to changing educational policies and environments and create future-proof initiatives (Kivati, 2017).

Kenya's educational system, and universities in particular, have played a significant role in preparing the country's workforce to realize Kenya Vision 2030. Otieno (2013) cites the innovative work of Kenya's universities in addressing the country's development challenges. Mashhadi et al. (2008) support this claim, stating that universities are crucial to national development and economic progress.

1.1 Problem Statement

Strategy implementation in institutions of higher education and learning can be difficult because they are typically very large and complex. Waithira (2018) argues that a major source of worry for strategists is the widespread failure to successfully apply strategies in the real world of business.

In Kenya, public universities have begun to take strategic planning more seriously because they recognize the challenges they face today and are required by the government to carry out strategic planning (GOK, 2006). According to Nyakeriga (2015), as a formality, all public universities have strategic plans on paper; most have not implemented them, as evidenced by poor performance in structural development, internal organization, competent personnel, administrative systems and policies, and human resources practices. This poor performance of University activities by University management has led to stagnation of planned development projects.

1.2 Objective of the Study

The study aimed to examine the influence of organizational structure on the performance of public Universities in Kenya.

2. Literature Review

2.1 Theoretical Review

The McKinsey 7S Framework informed this study. Consultants Tom Peters and Robert Waterman of McKinsey & Company worked with Julien Philips and Anthony G. Athos in the early 1980s to develop this concept. The model is still one of the most popular strategic planning tools among both academics and professionals (Salvarli & Kayiskan, 2018).

McKinsey's 7-S framework is a value-based Management model that details the steps necessary to efficiently and thoroughly structure a business. Applying the seven "S"s, or strategic principles, determines how an organization's long-term goals and objectives will be achieved. The institutional structure, including its divisions and departments, areas of competence, and lines of responsibility (and how they connect to one another), etc.

Organizational systems govern everything a business does (both formally and informally). The term "skills" refers to the knowledge and expertise already present among a company's staff. The values and views maintained by a group might be said to be "shared." Staffing strategies involve cultivating, training, and inspiring an organization's human resources. Finally, style, which includes the management team's attitude to leadership and the business as a whole.

All of these elements work together to keep an organization running smoothly. That's why it's so important in strategy implementation, which is the only way for a company to achieve its objectives. Collectively, these elements determine how an organization functions (Ogwengo & Osano, 2017). According to Obiero and Genga's (2018) research on the Kenya Revenue Authority's strategy implementation and performance, the 7 tenets facilitate the implementation of the strategy.

Given that a strategic plan incorporates all elements of the organization, the McKinsey 7S model applies to this study because it identifies relevant variables that must be properly utilized to achieve successful implementation of the strategic plan.

2.2 Empirical Review

A company's organizational structure is its set of rules for allocating resources and supervising employees to achieve its objectives. It also describes how an organization's employees interact with their external environment to accomplish their goals (Huber, 2011). From a strategic management perspective, the structure of an organization is of utmost importance.

Boin et al. (2016) identified three administrative procedures and mechanisms that top managers use to execute their strategies effectively. Integration/formalization, centralization, and managerial philosophy are all examples of such mechanisms. The importance of administrative control systems has been emphasized by several authors. The implementation of the strategic plan takes place within a specified framework. A firm's tactics are what make up its strategies. As a result, shifts and changes in the strategy affect everyone's behavior within the organization.

Kianda and Kitur (2021) studied the strategy implementation and performance of Micro Finance Institutions (MFIs) in Nairobi, Kenya. According to Kianda and Kitur (2021), a notable correlation was found between Organizational structure and performance, indicating a positive, moderately significant association.

Awiti et al. (2019) investigated the impact of strategy implementation on the efficacy of HIV and AIDS interventions overseen by non-governmental organizations in the Nyanza Region. The six main facets of strategy implementation that Awiti et al. (2019) examined were

translation, communication, resource allocation, coordination, execution, and adaptability. According to Awiti et al. (2019), there is a direct link between better performance outcomes for HIV interventions and the effective implementation of strategies.

Njiru and Nyamute (2018) researched the effect of the organizational structure on the productivity of Kenyan state corporations. Formalization, complexity, and centralization of structure were found to significantly affect the bottom lines of state businesses.

Hosseinpour and Tabari (2016) investigated the structure and organizational performance in Iran. Firm performance was influenced by formalization. In addition, the findings suggested that an organization's complexity influenced its performance. According to the study's findings, organizational structure impacted firm performance. The findings indicated that organizational structure affects performance within a firm.

Kalay and Lynn (2016) conducted research on firm structure and innovation in Turkey. It was discovered that a centralized structure has a considerable detrimental effect on innovation in organizations. The study concluded that centralization had little effect on innovation within organizations.

Ogbo and Ukpere (2014) conducted research on the structure and efficiency of Nigerian service firms. The research was carried out by means of a questionnaire. According to the findings, companies improved the quality of decision-making by decentralizing authority. Employees' productivity was also hurt by the monotony of their work. The research also showed that a limited span of control had a beneficial effect on a company's performance.

Shabbir (2017) investigated firm structure and employees' performance in Nigeria. The results showed a highly substantial link between the various views of company structure and performance. According to the data, businesses with low levels of formalization and a flat structure are better able to adapt to new technologies and encourage innovation among workers since their internal limits are less apparent and their exterior borders are more easily accessible.

Bibi and Saeed Akhtar (2020) conducted research on the company structure and performance of banks in Kenya. The results of this study revealed that firm structure had no significant influence on the organizational performance of Kenya's banking.

Muoki and Okibo (2016) sought to survey the impact of institutional structure on the successful implementation of strategic plans at public higher education institutions. Clear resource allocation (a depiction of the university's organizational structure) that is consistent with university plans was found to have a moderate impact on strategy implementation. The distribution of financial resources was also cited as creating a conducive environment for the implementation of the strategy. In addition, the findings highlighted the importance of formal orientation programs as a component of communication in the successful implementation of the plan.

3. Methodology

The study adopted a descriptive research design to examine how organizational structure influences the implementation of strategies and the performance of public universities in Kenya. The target population comprised all 35 public universities in Kenya, and a census approach was used due to the small population size. From each university, one respondent, either the Deputy Vice Chancellor (Administration, Finance and Planning) or an equivalent representative, was selected, resulting in a total of 35 respondents.

Data were collected using structured questionnaires, which were validated for accuracy and consistency before analysis. Both quantitative and qualitative data were analyzed using MS Excel and SPSS (version 21). Quantitative data from closed-ended questions were analyzed using descriptive statistics, including means based on a 5-point Likert scale, while qualitative responses were summarized descriptively. The findings were presented using tables and charts. To establish relationships among variables, the study employed correlation and regression analyses to identify the best model for explaining how organizational structure and other factors affect university performance.

4. Results and Discussion

4.1 Descriptive Statistics for Organization Structure

Results were summarized in a mean and standard deviation and tabulated. The average mean of 3.98 showed that the participants agreed on the presence of a functioning organizational structure in the universities. In the chain of command of the organizational structure, the respondents agreed to the three statements: the university has a span of control over employee monitoring, and the chain of command is employed to exercise control from the management, both with a mean of 4.30.

The statement, "We have clear reporting lines in our institution that enhance strategy implementation had a mean of 4.20, showing that the respondents settled on it. Under the innovation of the organizational structure, the public university has a structure that allows employees to use their creativity during strategy implementation, leading to better performance, as agreed, with a mean of 3.57 and a standard deviation of 1.006.

The participants were neutral on the statement; top management has set a conducive environment that encourages risk-taking and innovation to foster the implementation of strategic plans, with a mean of 3.43 and a corresponding standard deviation of 1.104. Under the task structure of the organizational structure, all the statements were agreed upon. Roles, duties, and assignments are clearly defined in the organogram of the university, which was agreed to with a mean of 4.17 authority given to Heads of Sections/Chairs of Departments to determine the success of working through others through delegation of duties, which was agreed to with a mean of 4.00 and section heads enable employees to make decisions, which was agreed with a mean of 3.90.

Table 1: Descriptive Statistics for Organization Structure

Organization Structure	Mean	Std. Deviation
The institution has a span of control over the supervision of staff	4.30	.837
The chain of command is used to exert control from the management	4.30	.750
We have clear reporting lines in our institution that enhance strategy implementation	4.20	.761
The institution has a structure that allows employees to use their creativity during strategy implementation, leading to better performance.	3.57	1.006
Top management has created a conducive environment that encourages risk-taking and innovation to support the implementation of strategic plans.	3.43	1.104
Roles, duties, and assignments are clearly defined in the organogram of the institution	4.17	.747
Authority given to Heads of Sections/Chairs of Departments to determine the success of working through others through the delegation of duties.	4.00	.983
Heads of sections allow decision-making among employees	3.90	1.062
Averages	3.98	0.906

4.2 Descriptive Statistics for Organizational Performance

The overall mean of 3.87 indicated that respondents agreed that universities had improved performance due to strategy implementation. On financial prudence, the respondents agreed that the institution plans well in advance and manages the available financial resources effectively, with a mean of 4.10. Variation in replies to this statement was moderate, as indicated by an SD of .885.

Regarding customer satisfaction, the respondents agreed that our customers (both internal and external) are satisfied with our academic programs and services, with a mean of 3.70 and an SD of .794, indicating low variation in responses.

Finally, on the number of products and services innovated, the respondents agreed that the number of products (academic programs) and services innovated in the institution is commendable, with a mean of 3.80. The consistent SD of 1.031 was the largest, indicating that the responses were highly variable.

Table 2: Descriptive Statistics for Organization Performance

Organization Performance	Mean	Std. Deviation
The institution plans well in advance and manages its financial resources effectively.	4.10	.885
Our customers (both internal and external) are satisfied with our academic programs and services.	3.70	.794
The number of products (academic programs) and services innovated in the institution is commendable.	3.80	1.031
Averages	3.87	0.903

4.3 Regression Analysis

The linearity of the association between the variables was tested by regression analysis. (Organization performance) and the independent variable, the organizational structure of the study. In the sections that follow, details of the results and a discussion of those results.

Table 3: Coefficients of the Regression Model

Model	Unstd	Coefficients	Std	Collinearity		Statistics	
	B	Std. Error	Coefficients Beta	t	Sig.	Tolerance	VIF
(Constant)	.489	.179		2.734	.011		
Organization Structure(X)	.196	.090	.245	2.180	.038	.266	3.756

a. Dependent Variable: Organization Performance

The regression model's coefficient was computed, and the results were reported. The regression equation is shown in the following form;

$$Y=0.489+0.245X$$

Y –Organization Performance

X–Organization Structure

4.4 Tests of Hypothesis

The null hypothesis held that the structure of Kenya's public universities had no effect on their performance. Table 4 shows that the organizational structure of public universities in Kenya significantly affects their performance (B1=0.245, t=2.180, & p=0.038<0.05). The study concluded that H01 was correct and that organizational structure significantly affects the performance of Kenya's public universities.

Table 4: Test of Hypotheses Results

Research Hypotheses	B	t	p-value	Decision
H ₀₁ : Organizational structure has no influence on the performance of public universities in Kenya.	0.245	2.180	0.038	H ₀₂ rejected since p=<0.05

The findings of the study show that the implementation of the strategic plan, which includes management commitment, organizational structure, and resource allocation, significantly influences the performance of public universities in Kenya. Management commitment plays a significant role in influencing the performance of public universities in Kenya. An improved organizational structure contributes positively to the performance of public universities in Kenya. Effective resource allocation positively influences the performance of public universities in Kenya. Therefore, considering the strategic plan implementation consisting of management commitment, organization structure, and resource allocation, the study concludes that these factors significantly influence the performance of public universities in Kenya.

5. Conclusion

The findings reveal that public universities in Kenya generally perceive their organizational structures as effective, particularly in terms of clear chains of command and well-defined reporting lines that support coordination and management control during strategy implementation. However, the study also highlights concerns regarding the institutions' capacity to foster innovation, with varied views on how well the structures support employee creativity and adaptability. In addition, there appears to be limited emphasis from top management on creating an environment that encourages risk-taking and innovation. Overall, while formal organizational structures are strong, universities need to strengthen their support for innovative practices to enhance the implementation of effective strategies and overall performance.

6. Recommendations

Top management in public universities should prioritize effective resource allocation. This involves ensuring the timely disbursement of financial resources, the provision of adequate human and technological resources, and the implementation of the strategy. Continuous evaluation and updating of the organization's structure to align with strategic goals and improve operational efficiency is essential. Promoting a culture of innovation and risk-taking by creating a conducive environment that inspires employees to think creatively and contribute to the implementation of strategic plans will further enhance performance.

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