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Strategy Implementation: Mckinsey's 7s Framework Configuration And Performance Of Large Supermarkets In Nairobi, Kenya

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ABSTRACT

The study objective was to determine the relationship between strategy implementation of McKinsey's 7S Framework and performance of large supermarkets in Nairobi. Out of twenty one questionnaires administered, eighteen were received representing a response rate of 86. % and was considered adequate for further analysis. The finding of the study was a correlation coefficient of .868 when the relationship between McKinsey's 7S and firm performance was tested. This depicts a strong relationship between performance by the firm and the independent variables. The coefficient of determination (R^2) was .753. Therefore, McKinsey's 7S dimensions account for 75.3% of the variations in firm performance. The study sought to assess the influence of Mckinsey's 7S framework, strategy adoption, barriers to strategy implementation, drivers to strategy implementation and firm performance. The results revealed a correlation coefficient (r) of 0.921 which show a strong relationship between performance by the firm and independent variables. The results showed a R^2 of 0.848 was established. The results suggest that strategy adoption, McKinsey 7S framework, drivers to strategy implementation and barriers to strategy implementation account for 84.8% of the variation in firm performance. Factor analysis found that cross-functionality of the strategy adoption, McKinsey 7S framework, drivers to strategy implementation and barriers to strategy implementation as the critical success factors for firm performance. The study concluded that the adoption of Mckinsey's 7S framework would lead to improved firm performance. Future research work should assess the moderating and intervening effects and incorporate subjective and objective measures of performance.

KeyWords: Strategy Implementation, Mckinsey's 7s Framework, Performance, Large Supermarkets, Nairobi

INTRODUCTION

Numerous studies have been done on strategy formulation but less attention has been given to the implementation process. Several academic authors in strategic management have adopted McKinsey's 7S Model as a critical way of visualizing key considerations by managers when disseminating a strategy throughout their organizations (DeKluyver, 2000; Pearce & Robinson, 1997; Wheelen & Hunger, 1995). Strategy implementation can be much more difficult task than strategy formulation (Hrebiniak, 2006). Superior firm performance can be achieved only if the formulated strategies are successfully implemented (Noble, 1999).

According to Sadler (1993) the emphasis of resource based view is that competitive advantage that leads to superior value creation is created when a firm effectively and efficiently utilizes its resources and capabilities. An organization can achieve long-tem competitive advantage it has resources which are of high valuable and cannot be easily substituted (Barney, 1999). Distinctive competences of the firm are contributed by its resources and dynamic capabilities.

When these competences are well applied a firm can realize its intended cost and/ or differentiation advantage (Scholes & Johnsone, 1999). Newman and Cullen (2002) agree with McNair (1958) that the wheel of retailing theory is the most applicable in an attempt to explain the evolution of retail enterprises.

Supermarkets continuously face competition prompting them to come up with strategies to improve their market share. According to Langat (2011), supermarkets in Kenya have adopted different strategies to competition. Some of these strategies are increasing the number of products on offer, setting up satellite branches in residential areas, opening outlets on high demand areas (prime areas), pricing of goods and services lower than competitors, varied communication mix and offering loyalty programs to build customer loyalty. Other strategic responses that supermarkets in Kenya largely apply include competitive hiring of management staff, aggressive marketing and advertising to fend off competition and upgrading of Information Technology (IT) systems in the supermarkets for efficiency and improved customer service.

The influx of single stop shopping and projected increase in income has led to increase in retail industry Kenya. Most of these supermarkets crush down shortly after attaining maturity because of increasing competition in the retail industry (Agarwal & Audretsch, 2001). According to Nielsen Report (2015) the Kenyan retailing industry has had remarkable growth with most retailers opening outlets in East Africa and beyond. Retailers have continued to position themselves to provide different kinds of customer requirements by opening branches in the newly opened malls and shopping centers.

MATERIALS

Over the last three decades, the work of practitioners and academic researchers has been dominated by concerns related to the strategic impact of downsizing, restructuring, re-engineering, out-sourcing, and empowerment on operational performance of both service and manufacturing firms (Neilson & Pasternack, 2005). Several scholars in strategic management adopted McKinsey's 7S Model as a useful way of visualizing the key components managers must consider when disseminating a strategy throughout their organizations (DeKluyver, 2000; Pearce & Robinson, 1997; Wheelen & Hunger, 1995). The concept of strategy provided an explanation on why some firms with very different approaches to their industry could succeed while others that followed similar approaches were not equally successful (Hamermesh, 1983).

The strengths of McKinsey's 7S model are its ability to describe the seven variables, to recognize the significance of the interrelationships that exists among all the seven variables, and its generic form makes it applicable to either manufacturing or service firms. The limitations of taxonomy are its lack of variables that deal with external environment and performance related issues. The principal reason for this lack of "completeness" of McKinsey's 7S Model is its origin, which was from practice as opposed to theory. In other words, McKinsey's 7S model represents an attempt to explain McKinsey's beliefs about manufacturing and service firm's operations ex post facto (Burke & Litwin, 1992).

Strategy implementation will usually involve empowering the team to perform their duties proficiently for success to be achieved (Thompson & Strickland, 2003). Successful implementation partly entails preventing problems from occurring during the implementation process (Alexander, 1985). If such problems occur during implementation, then quick action should be taken to solve them.

Waterman et al., (1980) identifies the element structure as how the activities are divided, and how mechanisms are coordinated and integrated. Higgins (2005) defines structure as comprised of jobs, the power for doing the jobs, how the jobs are grouped, and the manager level of authority, and coordination mechanisms. The element strategy is the measures that a firm plans to undertake in response to environmental changes, customers, and competitors (Waterman et al, 1980). This study will focus on strategy implementation and how its success relates to performance of major supermarkets in Nairobi.

The element system includes formal procedures for identifying, measuring, controlling and monitoring mechanisms (Waterman et al., 1980). The element style includes management style and how other professionals and key groups behave in the organization (Waterman et al., 1980). The focus of the study concerns the acts of leadership or higher management towards strategy implementation.

According to Waterman et al., (1980) the element staff refers to the human resources; its educational characteristics, experience and demographics. The element skills are the company's competencies and distinct capabilities (Waterman et al, 1980). Higgins (2005) replaces skills with re-Sources: people, technology, and money. This study will focus on the financial resource allocation towards strategy implementation. The element shared value is the organizational core beliefs and values (Waterman et al, 1980). The study will seek to establish if the existing culture of the organization supports the implementation of strategies.

According to Fortuin (2007) 70 percent of the Chief Executive Officers failed mainly because of poor strategy execution. Kaplan (2005) identified four barriers to strategy implementation as vision, resource, people and management barriers. One of the reasons they found out for bad strategy implementation was inaccurate measurement tools.

Hrebiniak (2005) identified six major barriers to effective strategy implementation as: managers are trained to formulate strategy but not to implement, top management aim at strategy formulation and leave the implementation to operational level employees, strategy planning and implementation are treated as separate processes, speeding up the implementation process, challenge of communicating strategy to the different levels of the organization, and making strategy implementation an action or a single step not as a process. Merchant and van Der Stede (2007) stress the need for control and measurement of strategy implementation for its success due to lack of direction, motivation problems, and personal limitations on the part of employees.

Jones (2008) suggests that organization will successfully implement strategies when all members of the organization are brought on board to support the process of strategy execution. Merchant and Van Der Stede (2007) adds that there is success if the employees understand the strategy and are ready and able to implement the strategy. For successful implementation of the strategies to be achieved, the structure must be simple and flexible, availability of cross-functional team, and supportive culture both the organizational and host country culture (Rexhepi, 2012). To successfully implement strategy, top management should ensure that managers at the operational level also share similar perception of the strategy and its implementation process (Raps, 2004).

Kaplan (2005) came up with four perspectives that can help a firm to achieve success in strategy execution as financial, internal processes, customer, and learning and growth. Pearce and Robinson (2005) add that the organization's structure and leadership style are important aspects in strategy implementation. Geiger et al. (2006) also agrees that structure is a key success element driver of strategy implementation. Stone et al. (1999) added the structure of authority, and leadership behavior as determinants of strategy implementation. Lewis et al. (2001) emphasized on how strategy implementation can be delayed by the internal and external stakeholders.

Although Hayden et al (2002) found out that Wal-Mart stores (US) has successfully implemented most of the strategies like low pricing, induced competition between its stores, Matamalas and Ramos (2009) found that different supermarkets use in different levels the majority of the strategies while some employ low prices strategy and ignore the implementation of other strategies. Rexhepi (2012) found that for successful implementation of the strategies to be achieved, the structure must be simple and flexible, availability of cross-functional team, and supportive culture both the organizational and host country culture. The studies did not address how the strategies adopted by the various supermarkets relate to the performance of these organizations.

Langat (2011) and Karanja (2012) found out that several strategies such as increasing the number of products on offer, setting up satellite branches in residential areas, opening outlets on high demand areas (prime areas), pricing of goods and services lower than competitors, varied communication mix and offering loyalty programs, business process automation, and branding are being implemented by supermarkets in response to increasing competition. However, their researches did not include measurement of the performance of large supermarkets based on the adoption of the strategies. Magu (2014) found that marketing strategies that Nakumatt supermarket implemented were influenced by factors such as availability of support enterprises, shopping centers and retail outlets, economic environment, intense competition, and market demographic characteristics. The researcher did not investigate the effectiveness of implementation of the strategies and their impact on organizational performance within the Kenyan retail sector.

METHODS

The study targeted 21 managers from seven supermarkets in Nairobi. Questionnaires were distributed to the top management and middle level management who are perceived to be involved in running and managing the supermarkets actively.

Out of the twenty one questionnaires, eighteen were properly filled as anticipated and returned therefore representing an eighty six percent response rate. The rate of response was considered adequate for analysis. According to Mugenda & Mugenda (2003), a response rate above seventy percent is considered responsive for the study.

RESULTS

Strategy adopted by a firm is crucial since it determines the moves and approaches that a firm utilizes to attract and retain buyers, withstand competitive pressure and improve its market position. The researcher wanted to establish the level at which supermarkets have adopted different strategies to survive in an environment with looming competition. The findings are presented in table 1.

Table 1: Extent of strategy adoption

STRATEGIES ADOPTED		NO.	Mean Score	SD
1	Use of latest technology	17	3.83	0.99
2	Cost cutting strategies	18	3.94	0.45
3	Business process automation	18	3.43	0.98
4	Staff reduction	18	2.80	1.40
5	Offering loyalty programs	17	3.14	0.44
6	Customer care services	16	3.67	0.77
7	Increased advertising	17	3.27	0.97
8	Opening more branches in strategic locations	18	4.67	0.47
9	Branding of some of the products	18	3.62	0.79
10	Staff training and development	18	3.64	0.85
Average Score		18	3.60	0.81

The results show that most supermarkets have been opening more branches in strategic locations. This was inferred from a high calculated mean of 4.67. Additionally supermarkets have also employed cost cutting strategies to a large extent; mean equals 3.94, with a small standard deviation 0.45 indicating homogeneity of responses made by the respondent.

However, it was found that most of the supermarkets do not do much of staff reduction. This was supported by a calculated average score of 2.8 and a high standard deviation of 1.40 which indicates greater variation on the responses made. The respondents agreed that the supermarkets have adopted several strategies to effectively compete and sustain. This was supported by an average score of 3.60.

The findings corroborate with Walters (2011) who argued that business location puts into consideration a number of tips as government restrictions, demographic characteristics of the population, accessibility of the business.

McKinsey 7s Framework

This framework is based on the ground that a firm consists of seven critical aspects. The study sought to establish whether supermarkets have integrated the concept in order to realize their objectives. The results are presented in the Table 2.

Table 2: McKinsey 7s Framework

McKinsey 7S Framework	NO.	Mean Score	SD
STRATEGY			
Involvement in the strategy formulation	18	3.57	0.87
Simple, clear, and easily understood strategies	18	4.11	0.68
Concise implementation stages and timeline	17	3.79	0.76
The strategy is compatible with the organization's vision and mission	18	4.12	0.79
Average Score	18	3.90	0.78
STRUCTURE			
Clear integration and coordination mechanisms	18	3.91	0.73
Job allocation and authority to do those jobs	18	3.90	0.47
Simple organization structure	18	2.42	1.05
Decentralized decision making process	18	3.84	0.58
Average Score	18	3.52	0.71
SYSTEM			
Availability of measurement and control mechanisms	18	3.45	0.74
ICT system to assist in strategy implementation	17	3.12	0.68
Monitoring the effectiveness of strategy implementation	18	3.99	0.95
Open system i.e. free flow of information between the departments/ branches within the organization	18	4.20	0.59
Average Score	18	3.69	0.74
STAFF			
Sufficient number of employees to facilitate the implementation process	18	4.34	0.54
Level of education and experience of organization staff	18	3.68	0.68
Availability of multi-disciplinary team involved in the strategy implementation	17	3.95	0.42
Good working relationship within members of the team	17	4.79	0.08
Average Score	18	4.19	0.41
STYLE			
Support of key groups and other professionals	18	2.79	1.07
Attitude of leadership towards the strategy being implemented	18	2.99	1.07
Sufficient support from Top management	18	3.45	0.90
Leadership style that allows those involved in strategy implementation to participate freely	17	4.55	0.08
Average Score	18	3.45	0.78
SKILLS			
Efficient feedback mechanisms	18	3.10	0.79
Availability of relevant skills and competences within the staff	18	4.61	0.39
Availability and allocation of financial resources	18	3.80	0.45
Availability of sufficient ways of developing skills	16	3.98	0.45
Average Score	18	3.87	0.52
SHARED VALUES			
Employees' belief in the vision and mission of the organization	18	3.88	0.80
The organization's culture and ability to change	18	4.44	0.68
Employee's awareness of the strategy being implemented	17	4.26	0.58
The strategy is supported by the prevailing local/ national culture	18	2.59	0.59
Average Score	18	3.79	0.66
Overall Average Score	18	3.77	0.65

The results in Table 2 suggest that the respondents believed that simple, clear, and easily understood strategies lead to the success of the process of implementing the strategy; the mean is 4.10; SD=0.68. In addition, the respondents indicated that the strategies employed should be compatible with the organization's vision and mission to larger extent (represented by a high mean of 4.12; SD=0.79).

The findings showed most of the respondents indicated that there was need for clear integration and coordination mechanisms in the organization as presented by a high calculated average score of 3.91, SD=0.73 . The findings are in support of Alonso et al. (2007) who cited that large companies are able to achieve a high level of internal direction and order with little or no centralization. The study also found that there is need for supermarkets to have an open system which allowed free flow of information between the departments/ branches within the organization to large extend as represented by computed mean 4.20, SD=0.59. Further it established that supermarkets should monitor the effectiveness of strategy implementation to a large extent. This was supported by a mean of 3.99, SD=0.95.

The study respondents agreed to a very large extent that good working relationship within members of the team lead to the success of the process of implementation of strategy, shown by average of 4.79,SD= 0.08 which implies there was uniformity in respondents' responses'. It was also found that respondents believed to a great extent that when there is sufficient number of staff with relevant skills and experience are allocated for strategy implementation process then the strategy is most likely to succeed with a mean of 4.34, SD=0.54.

The respondents also believed to very large extend availability of relevant skills and competences within the staff lead to the success of strategy implementation process with a mean of 4.61, SD=0.39. The study also sought to establish how the organization shared values influenced the success of strategy implementation process. The respondents also believed largely that employee's awareness of the strategy being implemented lead to the success of strategy implementation process with a mean of 4.26, SD=0.39.

The study established that the respondents believed that the element staff is very crucial in the implementation process compared to the other six elements. This was supported by a mean score of 4.34, SD=0.54. The relatively low mean score of 3.45, SD=0.90 was recorded where respondents indicated that there sufficient support form top management was required.

Firm Performance

The study sought respondent's views on how organizations measure performance. The results are presented in Table 3.

Table3: Firm Performance

FIRM PERFORMANCE MEASUREMENT		No.	Mean Score	SD
1	Profitability	18	4.11	0.78
2	Growth of the organization e.g. opening more branches	18	4.67	0.49
3	Customer satisfaction	18	4.67	0.49
4	Employee satisfaction	18	3.78	0.88
5	Improved internal business processes	18	4.17	0.71
6	Environmental performance e.g. complying with environmental and safety standards	18	3.67	0.59
7	Social performance e.g. organization's image as perceived by the public	18	3.72	0.75
8	Efficiency (example: improved service delivery)	18	4.50	0.51
9	Effectiveness (example: waste reduction, optimum stock maintenance)	18	3.89	0.76
10	Customer retention	18	4.61	0.61
Average Score		18	4.18	0.66

The results in Table 3 indicated that majority of the respondents strongly agreed that growth of the organization for example opening more branches (Mean of 4.67, SD=4.61) and customer satisfaction (Mean=4.67, SD=0.49) was an important measure of performance. The relatively low mean score (Mean=3.67, SD 0.59) was recorded for Environmental performance for example complying with environmental, health and safety standards.

Drivers of Strategy Implementation

The study sought to assess the various drivers of strategy implementation of large supermarkets in Nairobi. Table 4.7 presents findings on this study variable.

Table 4: Drivers of Strategy Implementation

DRIVERS OF STRATEGY IMPLEMENTATION		No.	Mean Score	SD
1	Culture still remains a key factor in the strategy implementation process	18	4.63	0.49
2	The structure of the organization dictates the way strategy is implemented	17	3.72	0.45
3	Effective leadership is a plus in strategy implementation	17	3.74	0.74
4	Supportive systems e.g. monitoring, control, and communication systems support strategy implementation	18	4.70	0.43
5	The success of strategy implementation lies on the firm's ability to rapidly transform learning into action	16	4.67	0.42
6	Effective strategy implementation requires competent employees' participation and support	18	3.88	0.96
7	The strategy to be implemented must be well understood by all participants and effectively communicated	18	3.99	0.42
8	Adequate and prompt resources allocation	18	4.33	0.80
9	Support of the Shareholders/ Directors	18	4.32	0.46
10	Adequate planning of the strategy implementation process	17	3.79	0.56
Average Score		18	4.18	0.57

The results in Table 4 revealed that respondents strongly agreed that supportive systems of monitoring, control, and communication systems support strategy implementation are effective parts of strategy implementation process(Mean=4.70, SD=0.43). A relatively mean score of 3.72, SD= 0.45) was recorded for the way the organization dictates the way strategy is implemented.

BARRIERS TO STRATEGY IMPLEMENTATION

Most supermarkets in Kenya are versed with their current economic state; they also have prospects of what they want to achieve, in that regard they formulate preferred actions or strategies to employ to attain their objectives. However some might not necessarily achieve their objectives due to barriers in strategy implementation process. The study therefore sought to establish the respondents' views on barriers that influence strategy implementation in large supermarkets in Kenya. The results are presented in Table 5.

Table 5: Barriers to Strategy Implementation

BARRIERS TO STRATEGY IMPLEMENTATION		NO.	Mean Score	SD
1	Organization's structure should be aligned with the strategy	16	3.60	0.68
2	Employees who are not properly involved in the strategy formulation may lead to poor strategy implementation	17	4.79	0.49
3	Complex strategy is difficult to implement	18	4.44	0.20
4	A poor strategy implementation may be referred to weak leadership	17	3.58	0.47
5	Strategy implementation may fail due to lack of financial resources	18	4.68	0.79
6	Strategy Implementation should be aligned to the organization's culture – shared values	18	3.46	0.41
7	A poor strategy may be referred to poor measurement and control systems' mechanisms	17	3.82	0.99
8	Government policies and regulations	18	4.69	0.43
9	Inadequate rewards and incentives to staff	18	3.33	0.38
10	Elaborate implementation stages	17	3.61	0.60
Average Score		17	4.0	0.54

The results in the above Table 5 indicates majority of respondents strongly agreed that employees who are not properly involved in strategy formulation and or implementation may lead to poor strategy implementation (Mean=4.79, SD=0.49). The results indicate that there are inadequate rewards and incentives to staff (Mean=3.33, SD=.0.38). This is consistent with Gallagher (2002) who argued that engagement basis in the interaction among and between firm leaders and firm employees process of decision-making should be clearly expressed. Gallagher (2002) uses the concept of a 'ladder of decision making' in explaining responsibilities at various participation levels. The said ladder provides vision and a theoretical representation that helps elucidate role of participants and or players in the process of decision making.

Factor Analysis on the critical success factors for Firm Performance

In order to reduce and classify the above factors into meaningfully functional categories, factor analysis of the factors deemed important for the study. Preliminary analysis was first conducted to determine whether factor analysis is appropriate. The results indicate that none of the correlation coefficients were between 0.9) and 0.05.

The table 6 shows the Kaiser-Meyer-Olkin Sampling Adequacy measure and Bartlett Spericity Test.

Table 6: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.930
Bartlett's Test of Sphericity	Approx Chi-Square	19334.492
	Df	18
	Sig	.000

The KMO statistic is 0.930, indicating that the sum of the partial correlations is small relative to the sum of the correlations, an indicator of non-diffusion in the pattern of the correlations. In other words, the pattern of the correlations is relatively compact and so factor analysis should yield distinct and reliable factors.

Table 7 lists the Eigen values associated with the linear component (factor) before extraction, after extraction and after rotation.

Table 7: Factor extraction

	initial Eigen value			extractions sums of squares loadings			rotations sum of squares loadings		
component	total	% of variance	cumulative %	Total	% of variance	cumulative %	total	% of variance	cumulative %
1	7.29	23.01%	23.01%	7.29	23.01%	23.01%	7.11	22.44%	22.44%
2	5.739	18.11%	41.12%	5.739	18.11%	41.12%	5.70	17.99%	40.43%
3	4.317	13.63%	54.75%	4.317	13.63%	54.75%	4.11	12.97%	53.40%
4	3.227	10.19%	64.93%	3.227	10.19%	64.93%	3.36	10.61%	64.01%
5	2.145	6.77%	71.70%						
6	0.895	2.82%	74.53%						
7	0.806	2.54%	77.07%						
8	0.783	2.47%	79.54%						
9	0.751	2.37%	81.91%						
10	0.717	2.26%	84.18%						
11	0.684	2.16%	86.34%						
12	0.67	2.11%	88.45%						
13	0.612	1.93%	90.38%						
14	0.587	1.85%	92.24%						
15	0.549	1.73%	93.97%						
16	0.523	1.65%	95.62%						
17	0.508	1.60%	97.22%						
18	0.456	1.44%	98.66%						
19	0.424	1.34%	100.00%						

The results in Table 7 indicate that 20 linear components were identified. The Eigen value associated with each factor represents the variance explained by the particular linear component. Factor one explains 23.01% of total variance. Factors with Eigen values greater than one were then extracted, leaving only 4 factors. The Eigen values and the percentage of variance explained associated with the extracted and rotated factors are displayed. It is notable that rotation optimizes and equalizes the factor structure as shown. For instance, before rotation, factor 1 accounted for considerable more variance than the remaining three, however after the extraction it accounts for only 22.44% of variance compared to the rest.

Figure 1 presents the scree plot with a pointer to the point of inflexion on the curve. This confirms the choice of four factors as extracted by the PCA

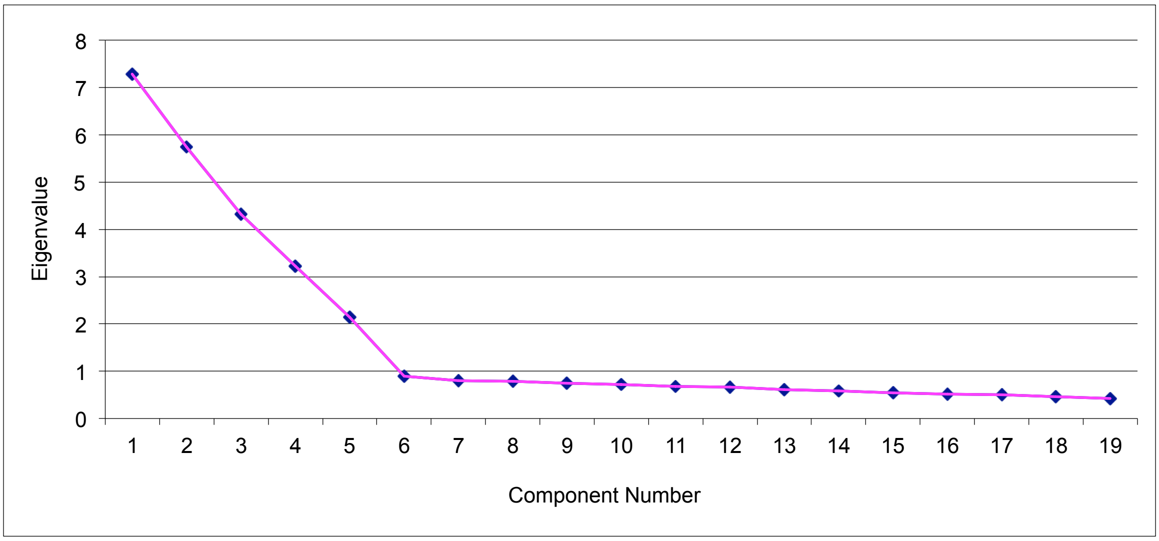

Table 8: Varimax Factor Rotation

	Factor 1	Factor 2	Factor 3	Factor 4
Items				
Factor 1: Strategy Adoption				
Use of latest technology	**0.79**	0.17	0.22	0.17
Cost cutting strategies	**0.84**	0.08	0.18	0.23
Business process automation	**0.80**	0.16	0.018	0.25
Staff reduction	**0.85**	0.13	0.17	0.23
Offering loyalty programs	**0.75**	0.12	0.08	0.13
Factor 2: Mckinsey's 7s Framework				
Support of key groups and other professionals	0.17	**0.81**	0.14	0.13
Attitude of leadership towards the strategy being implemented	0.24	**0.74**	0.15	0.31
Sufficient support from Top management	0.22	**0.84**	0.13	0.09
Efficient feedback mechanisms	0.32	**0.77**	0.25	0.17
Employees' belief in the vision and mission of the organization	0.24	**0.67**	0.18	0.28
Factor 3: Drivers to strategy implementation				
Culture remains an important consideration in the implementation of any strategy in the organization	0.15	0.25	**0.81**	0.11
The structure of the organization often dictates the way strategy is implemented	0.20	0.19	**0.78**	0.23
Effective leadership is a plus in strategy implementation	0.21	0.16	**0.76**	0.29
Factor 4: Barriers				
Organization's structure should be aligned with the strategy	0.14	0.22	0.23	**0.79**
Complex strategy is difficult to implement	0.28	0.26	0.18	**0.71**
Strategy implementation may fail due to lack of financial resources	0.33	0.14	0.24	**0.74**

Table 8 reveals that there are 5 factors. The variables uniquely load very highly onto a single factor. The indicators/ variables that loaded very highly on factor one appears to all relate to performance cross-functionality. This indicate that there is a cross-functionality of the strategy adoption, McKinsey 7s Framework, Drivers to strategy Implementation and barriers to strategy implementation as the success factors for firm performance. The following discussion presents the rationale for these four factors being critical to the success of firms.

Factor 1: Strategy Adoption

The concept of strategy adoption provided an explanation on why some firms with very different approaches to their industry could succeed while others that followed similar approaches were not equally successful (Hamermesh, 1983). The element of strategy adoption refers to the actions that a company plans in response to or in anticipation of changes in its external environment, its customers, and its competitors (Waterman et al, 1980). Most organizations adopt various strategies to achieve competitive advantage and survival. Application of latest technology, cost cutting strategies and business process automation are some of the main strategies large supermarkets in Kenya adopt and have very critical influence on firm performance.

Factor 2: McKinsey's 7s Framework

Several academic authors have adopted McKinsey's 7S Model as a useful way of visualizing the key components managers must consider when disseminating a strategy throughout their organizations (DeKluyver, 2000; Pearce & Robinson, 1997; Wheelen & Hunger, 1995).The strengths of the McKinsey's 7S Model are its description of organizational variables that convey obvious importance, its recognition of the importance of the interrelationships among all the seven variables, and its generic form makes it applicable to all types of firms. The model can be used to help identify which elements need to be realigned to improve the performance the supermarkets.

Factor 3: Drivers of Strategy Implementation

Jones (2008) suggests that organization will be successful only when all members of the organization stand together to support the strategy implementation. Merchant and Van Der Stede (2007) adds that it is about understanding strategy, if the employees are ready for strategy implementation and if they are capable of implementing the strategy. The management of the supermarkets need to understand the critical factors that have greater influence on the success of strategies to be implemented. Organization's staff, structure, systems and leadership style are some of the critical factors that need to be aligned to achieve success of the strategy implementation process.

Factor 4: Barriers to Strategy Implementation

According to Fortuin (2007) 70 percent of the Chief Executive Officers did not fail because of poor strategy, but due to poor strategy execution. Implementing strategy might be very difficult if the structure of the strategy is very complex or if it is large as it makes monitoring and controlling processes to be confusing to the implementers and additional resources to succeed. Lewis et al. (2001) emphasize on the delaying effect the internal and external stakeholders can have upon the implementation of a strategy, especially within a Non-Profit Organizations. Several factors such as complex decision making process, inaccurate measurement tools, leadership style that does not involve all key groups required in the strategy implementation may impede the implementation process.

Regression Analysis

The first hypothesis was to assess the relationship between strategy, structure, system, staff, style, skills and shared value and firm performance. Table 9a presents the model summary of how the predictors affect firm performance.

Table 9a: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.868[a]	.753	.721	.0909809	2.001

Source: Primary Data

a. Predictors: (Constant), strategy, structure, system, staff, style, skills and shared value
b. Dependent Variable: Firm Performance

The results in Table 9a indicate a correlation coefficient of 0.868 which implies a strong relationship between Mckinseys 7s framework factors and performance of large supermarkets in Nairobi. The coefficient of determination (R^2) was 0.753. This indicates that 75.3% strategy, structure, system, staff, style, skills and shared value account for the variations in firm performance. The other 24.7% of the total variation in firm performance remains unexplained. Analysis of Variance (ANOVA) was used to test the significance of relation that exists between variables; thus, model's significance. The ANOVA results are presented in Table 9 b

Table 9b: Analysis of Variance

	Sum of Squares	df	Mean Square	F	Sig.
Regression	.238	7	.034	615.760	.000b
Residual	.002	10	.000		
Total	.240	17			

Source: Primary Data

a. Dependent Variable: Firm Performance
b. Predictors: (Constant), strategy, structure, system, staff, style, skills and shared value

The ANOVA results presented in Table 9 b show that the regression model has a margin of error of $p < .001$. This indicates that the model has a probability of less than 0.1 thus, it is statistically significant.

The regression coefficients of the independent variables are represented in Table 9c.

Table 9 c: Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.039	.061		.635	.528
Strategy	.311	.000	.020	2.797	.024
Structure	.892	.005	.044	3.425	.013
System	.239	.001	.034	42.865	.000
Staff	.631	.000	.034	5.428	.003
Style	.412	.001	.021	2.697	.024
Skills	.532	.002	.024	3.512	.013
Shared Value	.438	.001	.014	36.065	.000

a. Dependent Variable: Firm performance

The results in 9c reveal that all the factors are stastically significant p value >0.05. From the results the following model was formulated;

Firm performance = 0.039+0.311(Strategy) +0.892(structure)+ 0.239(system) +0.631(staff)+0.412(style)+0.532(skills) +0.438* (shared value) + e(error term).

From the model, the study found that holding strategy, structure, system, staff, style, skills and shared value at zero firm performance is calculated at 0.039. The study established that holding strategy, system, staff, style, skills and shared value constant, a unit increase in structure would lead to a 0.892 increase in firm performance. However, when strategy, structure, staff, style, skills and shared value are constant, a unit increase in system would lead to a 0.239 increase in firm performance. The study thus concluded that structure had the highest level of influence on enhancing performance of the large supermarkets in Kenya while system had the lowest.

The study sought to assess how strategy adoption, Mckinsey 7S framework, drivers to strategy implementation, barriers to strategy implementation influence firm performance. The model summary of how the predictors affect firm performance are presented in Table 10a.

Table 10a: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.921[a]	.848	.821	.0909809	2.001

a. Predictors: (Constant), Strategy adoption, McKinsey 7s framework, Drivers to strategy Implementation, barriers to strategy implementation
b. Dependent Variable: Firm Performance

Table 1.10a presents a correlation coefficient of 0.921 and determination coefficients of 0.848. This depicts a strong relationship between firm performance and the independent variables. The results show that strategy adoption, McKinsey's 7S framework, drivers and barriers to strategy implementation account for 84.8% of the variations in firm performance. The other 15.2% of the total variation in firm performance remains unexplained.

Analysis of Variance (ANOVA) was used to test the significance of relation exists between variables; thus, model's significance. The results are presented in Table 10b.

Table 10b: Analysis of Variance (ANOVA)

	Sum of Squares	df	Mean Square	F	Sig.
Regression	.136	4	.034	615.760	.000b
Residual	.003	13	.000		
Total	.139	17			

a. Dependent Variable: Firm Performance
b. Predictors: (Constant), Strategy adoption, McKinsey 7s framework, Drivers to strategy Implementation, barriers to strategy implementation

The ANOVA results presented in Table 10b shows that the regression model has a margin of error of $p < .001$. This indicates that the model has a probability of less than 0.1 thus, it is statistically significant.

Table 10c shows that the individual regression coefficients of independent variables.

Table 10c: Regression Coefficients

	Unstandardized Coefficients		**Standardized Coefficients**	**T**	**Sig.**
	B	**Std. Error**	**Beta**		
(Constant)	.039	.061		.635	.528
Strategy Adoption	.311	.000	.020	2.797	.024
McKinsey's 7S framework	.892	.005	.044	3.425	.013
Drivers to strategy Implementation	.239	.001	.034	42.865	.000
Barriers to strategy Implementation	.631	.005	-044	3.425	.013

a. Dependent Variable: Firm performance

From the results in Table 10c, the following regression model was established:

Firm performance= 0.039 + 0.311(Strategy Adoption) + 0.892 (McKinsey 7S Framework) + 0.239(Drivers of strategy implementation) + 0.631(Barriers to strategy Implementation) + ε(error term)

From the equation, the study found that holding strategy adoption, McKinsey 7S framework, drivers to strategy implementation and barriers to strategy implementation at zero firm performance is calculated at 0.039. The study established that holding strategy adoption, drivers to strategy implementation and barriers to strategy implementation constant, a unit increase in McKinsey 7s framework would lead to a 0.892 increase in firm performance. Additionally, when Strategy Adoption, McKinsey 7s framework and barriers to strategy implementation are constant, a unit increase in drivers to strategy implementation would lead to a 0.239 increase in firm performance. The study concluded that McKinsey's 7S framework is critical for the success of strategy implementation to achieve higher performance. The study established that all the McKinsey's 7S are statistically significant as they all have a probability of less than 0.1. The study also established that the McKinsey's 7S elements have positive influence on firm performance, with the highest being structure while system being the lowest. The findings agree with Geiger et al (2006) who argued that organizational structure is generally accepted as a fundamental part of effective strategy implementation. The study further established that strategy adoption, McKinsey's 7S framework, drivers of strategy implementation and barriers to strategy implementation are statistically significant and have a positive influence on firm performance, with the highest being McKinsey's 7S model and the lowest being drivers to strategy implementation. The findings agree with several authors who have adopted McKinsey's 7S model as a useful way of visualizing the key components managers must consider when disseminating a strategy throughout their organizations (DeKluyver, 2000; Pearson & Robinson, 1997; Wheelen & Hunger, 1995).

CONCLUSION

The study concludes that the adoption of McKinsey's 7S framework would lead to the success of strategy implementation process to a very large extent and thereby lead to improved firm performance. Furthermore the study concluded that organizational structure of the supermarkets influences its performance. It was also concluded that open system allows free flow of information between the departments/ branches within the organization to a large extent, while supermarkets with measurement and control mechanisms allowed them to gauge their level of progress and find ways of improving operations as compared to their competitors.

The study also concluded that employee level of education, experience of organization staff, availability of relevant skills and competences, availability of multi-disciplinary team involved in the strategy, and good working relationship within members of the team would lead to the success of strategy implementation process. On the other hand, the government policies and regulations were barriers to effective implementation of strategy. This could be attributed to constraints associated with the regulations that could restrict the supermarkets from further expansion.

IMPLICATIONS OF THE STDUY

The study findings revealed that supermarkets need to use their resources optimally to achieve competitive advantage. Furthermore, supermarkets should rapidly transform their capabilities into action so as to exist in the dynamic competitive market environment. McKinsey's 7S framework proved to be of great importance in strategy implementation in order to achieve desired performance. The findings help build on the body of knowledge base specifically resource-based view and dynamic capabilities.

The findings showed that government regulations and policies impact to a great extent strategy implementation which is directly related to firm performance. The study provides invaluable insights to policy makers and retail industry regulators so as to be aware of the extent to which policies and regulations impact performance of the supermarkets. The study also established various strategies adopted by supermarkets, drivers and barriers to strategy implementation, impact of McKinsey's 7S framework on strategy implementation and how they relate to performance of the supermarkets. The results would impact how managers and investors seek to run the supermarkets to achieve sustainable competitive advantage.

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