Influence of Strategic Leadership and Organization Culture on Strategy Execution in Shipping Companies in Kenya

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Abstract
A review of literature reveals that strategy execution is an important component of the strategic management process. However, it has been noted that there is a high failure rate in the execution of strategy as a result of the existence of many potential barriers to the effective execution of strategy. For successful strategy execution, an organization's various resources, systems, culture, structures and other variables must be expended. This paper evaluated how strategic leadership and organization culture influence strategy execution in shipping companies in Kenya. The study adopted a cross-sectional survey research design. The population of the research consisted of the 38 shipping companies in Kenya as at 2015. The unit of analysis were the employees in charge of strategic management matters in the shipping companies in Kenya. The study adopted purposive sampling and used primary data which was gathered using structured questionnaires which were pre-tested before being administered. The respondents comprised of the chief executive officer, chief operations officer, chief finance officer, chief information officer and the business development officer who were purposely selected due to their level involvement in strategy execution matters. Therefore the target population was 190 officers from the shipping companies in Kenya. Statistical Package for Social Sciences was used in data analysis where both descriptive and inferential statistics were applied. Regression results indicated that organization resources and organization culture was statistically significant in explaining strategy execution in shipping companies in Kenya. From the study, it is possible to conclude that the shipping companies have sound leadership practices that influence strategy execution. Further organizational culture contributes more to strategy execution than strategy leadership. The study findings led to the conclusion that the managers of these companies are committed to ensuring that strategy execution succeeds. In any business company a willing and committed leader greatly influences the results of the business processes. It was also concluded that the shipping companies under study had sound company culture practices as this was evidenced on how culture influenced strategy execution results in the study findings. The shipping companies had sound cultural practices of rewarding best performance, embracement of sound business practices and behaviour towards business operations
Keywords: shipping, strategy execution practices, strategy, strategic leadership, culture.

1.0 INTRODUCTION

Successful CEOs understand the need for a sound business strategy and invest significant time, effort, and money in strategy development. But the real value of strategy can only be recognized through execution - the ability to execute strategy is more important than the quality of the strategy itself (Kaplan & Norton, 2001). While this may run counter to deeply entrenched beliefs, the new emphasis on execution reveals a simple truth: it doesn't matter how good the plan is if you can't make it happen. Martin (2010) avows that organizations find themselves in an "execution trap" – the inability to execute a well-designed strategy. Most companies have the know-how and insight to create the right strategy - executing it, however, is another matter. While many people believe that formulating an innovative and unique strategy is critical and by itself sufficient to lead a firm to success in today's business world, ensuring that such a strategy works is equally as important. Executives should pay careful attention to the execution of strategies to avoid common pitfalls that result in failure. A number of approaches that greatly enhance the effectiveness of strategy execution can be employed. Indeed, good strategic management is a function of people actively considering strategy as they make day-to-day decisions in an ever-changing world.

Business organizations exist in an environment of competition where they use a number of resources (physical, organizational and human) to compete with other companies (Noe *et al*., 2006). To deal effectively with everything that affects the growth and profitability of a firm, the managers employ management processes that they feel position it optimally in its competitive environment by maximizing the anticipation of environmental changes and of unexpected internal and competitive demands (Pearce and Robinson, 2007). To remain competitive organizations therefore need perfect processes that respond to increases in the size and number of competing firms. Organizations have therefore resorted to using strategies in their planning and management processes to remain competitive.

The shipping industry in Kenya is in the midst of a major structural and operational change. Its roles, functions and objectives are under review and sometimes even under attack, while its ownership, management and organization remain in a flux.The maritime transport takes care of 92 per cent of our international trade by volume. This trend is expected to grow with the discovery of more natural resources in the country as well as in the region. Kenya has the chance to maximize the benefits from the maritime sector due its strategic location, coastline, and a steadily growing regional economy. There are opportunities in ship/boat building and repair, marine aquaculture, mariculture, maritime training, marine-based tourism, marine insurance, businesses and activities related to ports, port operations and relevant industries, shipping and logistics and commercial maritime support services. These resources have not been fully exploited due to a multiplicity of actors with a disjointed approach to the development of the industry.

1.1 SHIPPING COMPANIES IN KENYA

Mombasa is the headquarters of the shipping industry in East Africa and the great lakes regions that is the hinterland for the port of Mombasa. The shipping industry in Kenya is dominated by multi-national shipping lines whose vessels call at the port of Mombasa to discharge and load cargo. These multi-national firms have set up presence in Kenya either through their fully owned subsidiaries or through representative agents. These serve as client service centres as well as vessel handling and port operation/logistics offices.

This business shipping agency is generally a customer service business revolving around marketing and business development along with the operational handling of vessels in port. The client base consists of import and export customers, cargo forwarders, clearing agents acting for and on behalf of the importers/exporters, and logistics providers such as transporters and warehouse operators, container depot operators as well as independent Container Freights Station operators. On the periphery are regulatory stakeholders like the Kenya Revenue Authority, Kenya Ports Authority, Kenya Maritime Authority and their counterparts in the neighbouring countries that form the larger hinterland to the port of Mombasa (KPA Handbook, 2015).

Chege (2001) further stated that shipping services are classified into two basic categories, tramp and liner trade. Tramps are ships that call to load or discharge a specific, large (mostly homogeneous) cargo invariably on charter party terms. The distinguishing aspect of a tramp vessel is that it does not have to ply a specific route and will usually follow the demand for its tonnage. Liner ships, on the other hand, call specific ports on a regular advertised schedule and itinerary discharging and loading cargo at each of the ports to call. The shipping industry which comprises of 38 shipping companies as per the Kenya Ships Agents Association (2016), is one of the major driving forces behind the Kenyan economy, providing direct and indirect employment. Its liberalization has also enticed further presence of foreign owned liners, many stretching and redirecting their routes to more lucrative destinations. The Kenyan shipping industry comprises of shipping liners which function as the main global carriers such as Maersk Liner, CGM CMA, among others. Other players include the agencies that act as a contact between shipper and line, and clearing and forwarding agents, who assist in clearing cargo and in logistical delivery. The industry is regulated by the Kenya Maritime Authority (KMA) and the Kenya Ports Authority (KPA), whilst other major stakeholders include the Kenya Ships Agents Association, the Kenya Revenue Authority (KRA), the Kenya Shippers Council (KSC), and the Kenya International Freight and Warehousing Association (KIFWA). It is estimated that fifty ships of various types are in the major shipping lanes off the Kenyan coast at any given time. These can be characterized as follows: Oil tankers, bulk carriers, general cargo, container ships, passenger ships, tank barges, fishing trawlers, offshore supply, amongst others (UNCTAD, 2013).

1.3 STATEMENT OF THE PROBLEM

Shipping is considered as the lifeblood of the global economy. More than 80% of the world goods are carried by ship (Mason and Nair, 2013), and the USA, the largest trading nation in the world, use sea cargo to move more than 90% of its export freight (Agarwal and Ergun, 2008). The global economic activities are changing and shipping industry is facing some structural changes. There is a dramatic shift in the world manufacturing and trading. The market and marketplaces are now global and production is located everywhere. The shipping business environment is getting more instable, competition is increasing (Tongzon et al., 2009), profit margins are decreasing, expected service quality is increasing and demand is becoming more uncertain (Panayides & Wiedmer, 2011, Robinson, 2005).

Following liberation, the shipping industry in Kenya is experiencing fierce competition between lines. Players have quickly acknowledged the imperativeness of a liberalized economic environment which (being more demand driven) leads to higher appreciation of the increased choice affordable to shippers who can no longer be taken for granted. Firms in this (shipping) industry like firms in other sectors of the economy need to devise strategies for effective competition. In spite of its important role in the economy, shipping is in turmoil due to over capacity, fragmentation and politicization of the industry. As a result of these restrictive practises the shipping industry has remained stagnant and lacks adaptability (Mugambi, 2003). Shipping companies are involved in local competition for exports/exporters and international/ overseas competition for imports. Since most of them are foreign owned, even their strategies are formulated in the mother countries. These strategies are then executed/implemented in the organizations' subsidiaries located all over the world. In most cases these strategies do not fit on to those varying environments due to the difference in competitive variables. Therefore the varying circumstances and environments as well as the global operations of this industry make it unique and complex, thus called for a separate local study.

Kibicho, (2015) did a study on the determinants of strategy implementation in the insurance industry in Kenya while Chiuri (2015) did a study on challenges of strategy implementation in higher education institutions in Kenya. Disi (2008) did a survey of competitive strategies employed by shipping companies in Kenya and found that these companies employ competitive strategies to different degrees. Mugambi (2003) determined the strategic management practices of shipping companies in Kenya and found that these companies practice formal strategic management in various forms which include annual, developmental and complete strategic management. As a consequence, this study will consider the least investigated practices for strategy execution through organization structure, strategic leadership, organization culture and organizational resources. There is, therefore, a strong case for corporate strategy execution in shipping companies which operate in the maritime transport sector which is regulated by policies aimed at creating an enabling environment for development of national capacity to supply and optimally use maritime transport services. This is in tandem with the effort of the realization of Kenya's Vision 2030 economic pillar that supports efficient and seamless transport system especially in supporting the blue economy. The blue economy contributes in the growth of the Kenyan economy which is expected to grow at a rate of 10% per annum (ROK, 2013). It is in this view that the study sought to establish the determinants of strategy execution in shipping companies in Kenya.

1.4 PURPOSE OF THE PAPER

1. To establish the influence of strategic leadership on strategy execution in shipping companies in Kenya.
2. To investigate the influence of organization culture on strategy execution in shipping companies in Kenya.

1.5 IMPORTANCE OF THE STUDY

Shipping companies in Kenya are going through changing times and are experiencing fundamental changes and other environmental dynamics which are having huge impacts on how they are managed, governed and their performance. These companies are now having to not only keep abreast of these emerging local and global issues, but more importantly how to adapt to achieve growth.

In line with this situation, the companies have been grappling with ideas and efforts on how to remain relevant and competitive in this turbulent maritime environment. A number of them have ventured into diversification as a strategy for survival. This research will aim to take a critical look at the determinants of strategy execution of shipping companies in Kenya.

The findings of the study will be useful to policy makers by informing them on the determinants of strategy execution and by applying the findings and recommendations so as to improve the performance of this industry. To practitioner's, the findings will be useful in identifying the strategic management determinants of strategy execution. Strategic management policy makers would benefit from understanding the effective strategic management relationships that exist between different stakeholders in the industry. To scholars, the results would contribute to the existing knowledge on strategy execution as applied in the corporate world. It would assist in providing sources of information for further research.

1.6 HYPOTHESIS

A hypothesis is a statement or explanation that is suggested by knowledge or observation but has not, yet, been proved or disproved (Yin, 2009). The following null hypotheses were generated from reviewed literature;

H_{01}: Strategic leadership has no significant influence on strategy execution of shipping companies in Kenya.
H_{A1}: Strategic leadership has significant influence on strategy execution of shipping companies in Kenya.
H_{02}: Organization culture has no significant influence on strategy execution of shipping companies in Kenya.
H_{A2}: Organization culture has significant influence on strategy execution of shipping companies in Kenya.

2.0 REVIEW OF LITERATURE

2.1.1 Strategic Leadership

Strategic leadership formed the study's third independent variable, depicted by commitment to effective strategy execution practices, competent policy framework, proficient corporate management systems, supervision of strategy execution practices, monitoring of strategy execution initiatives, clear organization vision, empowering middle level managers and supportive organization infrastructure. This variable was intended to show how leadership can guide the rest of the organizational members to execute strategy. The role of the leader is important if an organization wants to implement a new strategy.

Leadership, and specifically strategic leadership, is widely described as one of the key drivers of effective strategy implementation (Thompson & Strickland 2010; Pearce & Robinson 2007; Hrebiniak 2005). However, a lack of leadership, and specifically strategic leadership by the top management of the organisation, has been identified as one of the major barriers to effective strategy implementation Khan and Anjum, (2013) posit that strategic leadership is the key source of competitive advantage. The leadership is the important part of an organization. It is really believed that if organization gain the competitive advantage in the market then it moves to the success of its business which can be measurable and manageable. For achieving competitive advantage for an organization the role of strategic leadership is very much important because the leadership is known as the back bone of an organization and the major source for gaining the competitive advantage (Ibid).

Successful companies work hard to execute the strategies that lead for good strategic leadership development. They create enterprise wide standards, practices, and metrics for recruiting talented leadership Al-Zoubi, (2012). According to Dawson (2005) stated that a manager leadership can measurably increase employee performance and most of them leaving a firm. Studies show that when the strategic leadership style in an organization is improved there is much satisfaction by employees, regardless of occupation, and this enhances competitive advantage. A study on strategic leadership style in relation to employee turnover was carried. It found that the most important positive leadership factor was that of leaders showing genuine concern for their staff.

Leadership factor is most strongly associated with increased motivation and organizational commitment. Key to effective and management in general and engaging in strategic leadership in particular, is the level of self-awareness the manager has about their strategic leadership style and the impact it has on others (Johnston, 2005). Self-awareness can be developed through informally requesting feedback from one's boss, colleagues or staff. Strategic leadership is an incremental component that centers the existence, survival and functioning of any group or organization. Indeed the organization recognizes that their success is highly dependent upon the quality and effectiveness of this dimension. How people want to be managed and how people are being managed and the gap between contributes to either high or low turnover rate.

According to Earhart, (2007) strategic leadership is the art of accomplishing more than the science of management. Strategic leadership is about knowing where we want to go and having an idea on how to get there. You must have an honest understanding of who you are, what you know, and what you can do. To be successful you have to convince your followers, not yourself or your superiors, that you are worthy of being followed according to Alvan (2005). A well-managed authority with leaders who view themselves as stewards and guardians of the collective interests of the people will become a powerful force for good in the community, and a highly effective means to bring poor members out of poverty and into economic prosperity. This kind of leaders keeps the turnover of their employees at low pace.

Strategic leadership in labor turnover takes into account public policy, national values and ethics. It covers systems by which the individual corporation regulates itself for competitiveness and sustainability of airports authority through practices and procedures for supervising, monitoring, regulating and controlling its affairs. For companies to be efficient and productive in regard to reducing labor turnover, they must apply good governance practices that seek to ensure that the power of the organization is used in manner that ensures effectiveness, efficient, probity, fairness, transparency, discipline, accountability, responsibility, independence and social responsibility (Dawson, 2005).

Good strategic leadership style in any organization sustainability and employee joining and leaving strategies, involve better dissemination of information concerning all departments and coordinating their operating methods and practice to maintain basic uniformity, foster education, training of members, officials and employees of any organization. It fosters and promotes the organization's growth and is capable of promoting the investment and general welfare of their members in accordance with labor principles to be able to maintain the general public relation. Good leadership helps regulate mechanisms and performance in the work places as well as motivation of the employees which creates sustainability drive. According to Robbins, (2003) for any organization to improve its sustainability, it must develop trusting relationship with those whom they seek to lead. Organizations are increasingly searching for leaders who can exhibit transformational leadership qualities. They want leaders with visions and charisma to carry out those visions. True strategic leadership effectiveness may be as result of exhibiting the right behavior at the right time.

2.1.2 Organization Culture

Corporate culture constitutes the fourth independent variable, indicated by resistance to change, organization practices and behaviour, Shared values, meaning and understanding, communication processes, easy to execute manner of presenting strategy, compelling vision, acceptance of divergent views from employees, taking business risks and rewarding best performance. The variable is intended to demonstrate the set values, beliefs and attitudes that characterize a shipping company and guide its practices (Bhatti, 2011). According to Schein (2009) organizational culture is a collective behavior of people that are part of an organization. It is formed by the organization values, visions, norms, working language, systems, and symbols, beliefs and habits. It is also the pattern of such collective behaviors and assumptions that are taught to new organizational members as a way of perceiving, and even thinking and feeling. Organizational cultures affect the way people and groups interact with each other, with clients, and with stakeholders. Organizational culture is a strength that can be a weakness. It is strength because it eases and economizes communication, facilitates organizational decision making and control and may generate higher levels of cooperation and commitment to the organization which are necessary for strategy implementation. However it can be a weakness when important shared beliefs and values interfere with the need for business, its strategy and the people working on a company's behalf. This is a major weakness because it is hard to change the content of a culture (Pearce, 2003).

Organizational culture plays a vital role in ensuring performance of employees and organization. Organizational culture entails values, beliefs, and practices which constitute the characteristics of an organization according to Gostick and Elton (2007). It is, therefore, a system of shared values that interacts with staff, structure, and control system of an organization as indicated by Rock (2006). It, therefore, defines behavioral norms of employee which lead to productivity of employee. Organizational culture has a positive bearing upon human resource performance and development of employees. According to Biswas (2009) organizations which depict a high level of employee performance have a well-defined organizational culture. Employees adapt to this culture when they are employed in the organization. They utilize the culture values and practices when performing their duties and achieve success. Organizational culture is particularly vital in an organization since it ensures continuity of powerful informational and values of an organization. It is this continuity of beliefs, ethics, art, law, skills, and habits which results in success of an organization.

Thompson *et al*. (2007) define corporate culture as the character of a company's work climate and personality – as shaped by its core values, beliefs, business principles and policies, traditions, ingrained behaviours, work practices, and styles of operating. It is considered one of the success factors for strategy implementations because it influences the organization's actions, approaches to conducting business and the way of executing strategies (Thompson *et al*., 2007). A company's culture can promote strategy execution, when its values are strategy-supportive and its practices and behavioural norms add to the company's strategy execution efforts (Thompson *et al*., 2007). A company's culture should encourage strategy thinking and dialogue, which helps to develop a strategically more aware workforce which is also more open to necessary strategy changes (Beaudan, 2007). It is the task of top management to foster a corporate culture that paves the way for the effective implementation of new strategies (Thompson *et al*., 2007; Raps, 2004).

2.2 THEORETICAL FRAMEWORK

2.2.1 Strategic Leadership Theory

Strategic leadership theories are concerned with the leadership of organizations and are marked by a concern for the evolution of the organization as a whole, including its changing aims and capabilities (Selznick, 1984). The essence of strategic leadership involves the capacity to learn, the capacity to change and managerial wisdom (Boal & Hooijberg, 2001).According to Boal & Hooijberg (2001) strategic leadership focuses on the people who have overall responsibility for the organization and includes not only the head of the organization but also members of the top management team.

Activities associated with strategic leadership include making strategic decisions, creating and communicating vision of the future, developing key competences and capabilities, developing organizational structures, processes and controls; sustaining effective organizational cultures and infusing ethical value systems into the organization (Hunt, 1991; Ireland & Hitt, 1999). Strategic leaders with cognitive complexity would have a higher absorptive capacity than leaders with less cognitive complexity. To the extent that these leaders also have a clear vision of where they want their organization to go the absorptive capacity will have a greater focus. That is, strategic leaders look at the changes in the environment of their organization and then examine those changes in the context of their vision (Boal & Hooijberg, 2001).

2.2.2 The Eight S's Model

The Eight S's model was developed by Higgins in the year 2005, which is a revision of the original McKinsey 7 S's model developed in 1980. The aim of the Eight S's model is to enable management to more effectively and efficiently manage the cross functional execution of strategies. Higgins pins down that those executives who are successful spend a great deal of their time on strategy execution. They believe and realize that execution of strategy is as important and crucial as its formulation. In Higgins (2005) opinion much of strategy execution revolves around aligning key organizational functions/factors with the chosen strategy. However with frequently occurring changes in the business environment, strategies are reshaped more often as compare to the past, making the alignment process a bigger challenge.

Business executives must align the cross functional organizational factors; structure, system and processes, leadership style, staff, resources and shared values with the new strategy so that the strategy opted can succeed (Higgins, 2005). The description of the 8 S model is; 1. Strategy and Purpose: According to Higgins, strategies are formulated to achieve an organization's purpose. Change in strategic purpose leads to change in strategy. Strategic purpose includes strategic intent, vision, focus, mission, goals and strategic objectives. There are four types of strategies famed by Higgins; corporate-, business-, functional- and process strategies. Corporate strategy defines the business of the company is or will be involved in and how business will be conducted in a fundamental way. Business strategy depicts as how a firm in a particular business can gain competitive advantage over its competitors.

Functional strategy should be aligned with business strategy, hence functional strategies in areas such as marketing, human resources, Research & Development, finance and more should be allied with business strategy. Process strategies are cross functional in nature and aims at integrating an organization's processes in order to improve their effectiveness and efficiency. 2. Structure: Higgins avows that organizational structure consists of five parts; jobs, the authority to do those jobs, the grouping of jobs in a logical fashion, the mangers span of control and mechanism of coordination. Hence when executing a business strategy, decisions are to be made regarding how an organization is structured. This incriminates decisions in terms of jobs to be completed, authority to do the jobs, grouping of jobs into departments and divisions, the span of manager's control and the mechanisms of control of such a structure. 3. Systems and Processes: Higgins (2005) has described systems and processes by stating that systems and process as enable an organization to execute daily activities. Hence, this element is about the formal and informal procedures used in an organization to manage information systems, planning systems, budgeting and resource allocation systems, quality control systems and reward systems. 4. Style: Style refers to leadership/ management mode exhibited by the leaders/managers when relating to subordinates and other employees.

Abridging it further, management style is about the manner in which management treats their colleagues and other employees and what and how they focus their attention on. 5. Staff: After defining company's strategic purpose, management must settle, as how many employees are needed and what are the required backgrounds and skills essential to achieve the strategic purpose. This factor also covers aspects such as staff training, career management and promotion of employees. 6. Re-Sources: Higgins affirms that management must ensure that an organization has access to sufficient resources toward successfully strategy execution. Resources include people, money and technology and other management systems. 7. Shared Values: Shared values on the whole relates to organizational culture. Therefore, shared values are the values shared by the members of the organization making it different and diverse from the other organizations. 8. Strategic performance: Higgins states that strategic performance is a derivative of the other seven 'S's. Strategic performance is possessed by an organization as a total, or for profit-based parts of the whole. Performance can be measured at any level. Financial performance measurements are critical barometers of strategic performance.

3.0 RESEARCH METHODOLOGY

This study adopted a cross-sectional survey research design. The target population was drawn from all the shipping companies in Kenya. The study purposely concentrated on only shipping companies because it was expected the players would have the relevant and accurate information needed in this study. This study therefore comprised of 17 shipping liners, 18 shipping agents, and 3 composite liners from which the target and accessible population was drawn. Target and accessible population comprised of management and supervisory employees in shipping companies in Kenya. The study used purposive sampling technique was used where 5 managers from each of the 38 shipping companies were selected to come up with 190 employees to be interviewed. Slovins formulae was applied and a sample of 129 was arrived at and proportionately applied in the 3 strata. Data was collected, coded and analysed using SPSS version 20.0. The findings were presented in form of tables and pie charts and discussions and interpretation of the same given.

Table 1: Sample Size

Category	Population	Sample Size
Shipping Liners	85	58
Shipping Agents	90	61
Composite Liners	15	10
Total	**190**	**129**

4.0 FINDINGS, RESULTS AND DISCUSSION

The objective of the study was to evaluate the influence of organization resources on strategy execution in shipping companies in Kenya. Out of the 129 questionnaires administered, 115 were filled and returned. This represented 89.1% of response. According to Mugenda & Mugenda (2003), a response rate of 50% is adequate, 60% is good and 70% and above is excellent. Saunders, Lewis and Thornhill (2009) suggest a 30-40% per cent response rate.

4.1 Test for Normality

The null hypothesis for this study is that the data is normally distributed. This null hypothesis is rejected if the p-value is below 0.05. From Table 3 the Shapiro-Wilk p-value is 0.140 so we accept the null hypothesis as it indicates that the data is approximately normally distributed (Shapiro & Wilk, 1965).

Table 2: Shapiro-Wilk Tests

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Strategy Execution	.242	6	.200*	.844	6	.140

*. This is a lower bound of the true significance.
a. Lilliefors Significance Correction

The Kolmogorov –Smirnov test also shows a p-value of 0.2 which is greater than 0.05. Both test allows for the acceptance of the null hypothesis; that the data is approximately normally distributed.

4.2 Strategic Leadership and Strategy Execution

Table 3 shows the correlation results which indicate that there was a positive and significant relationship between strategic leadership and strategy execution. This reveals that any positive change in strategic leadership led to increased execution of strategy. The relationship has been illustrated by the correlation co-efficient of 0.479, implying a positive relationship between strategic leadership and strategy execution in the shipping companies in Kenya. This was also evidenced by the p value of 0.000 which is less than that of critical value (0.05). The results are supported studies by O'Reilly, Caldwell, Chatman, Lapiz and Self, (2010) which show that leaders often have a substantial impact on performance. Thus in the strategy execution process the leader can play an important role as he has to assure, that the rest of the organization is committed to the strategy, by convincing the employees that a new strategy is important and also create a meaning of strategy, so that the employees support this strategy. They state that a leader has to deal with resistance, allocate resources and create consensus. This consensus is especially important, so that leaders at subordinate levels reinforce the strategy and the whole workforce of the organization has a compelling direction.

Table 3: Relationship between Strategic Leadership and Strategy Execution

Variable		Strategy Execution	Strategic Leadership
Strategy Execution	Pearson Correlation	1	.479
	Sig. (2-tailed)		.000
	N	115	115
Strategic Leadership	Pearson Correlation	.479	1
	Sig. (2-tailed)	.000	
	N	115	115

Regression analysis was conducted to empirically determine whether strategic leadership is a significant determinant of strategy execution in shipping companies in Kenya. The coefficient of determination R^2 of 0.230 indicates that strategic leadership on its own in the model explains 23.0% of the variation or change in the dependent variable (strategy execution). The remainder of 77.0% is explained by other factors and variables other than strategic leadership. The adjusted R^2 was 0.223 which did not change the results substantially as it reduced the explanatory behavior of the predictor to 23.0% Table 4.27 shows the goodness of fit of the model: $Y = \beta 0 + \beta\ _2X_2 + \varepsilon$ which is the linear model involving strategic leadership (X_2) as the only independent variable.

Table 4: Model Summary for Strategic Leadership

Model	Coefficient
R	0.479
R Square	0.230
Adjusted R Square	0.223
Std. Error of the estimate	0.52745

The overall model significance was presented in Table 5. An F statistic of 33.668 indicated that the overall model was significant as it was larger than the critical F value of 3.94 with (1, 114) degrees of freedom at the P=0.05 level of significance. The findings imply that strategic leadership was statistically significant in explaining strategy execution in shipping companies in Kenya. The study, therefore, rejected the null hypothesis H_{02} at 95% confidence interval, meaning there was a significant relationship between strategic leadership and strategic execution.

Table 5: ANOVA for Strategic Leadership

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	9.366	1	9.366	33.668	.000
Residual	31.437	113	.278		
Total	40.803	114			

Table 6 shows the model coefficients of the regression results of strategic leadership on strategy execution shipping companies in Kenya. In order to establish the statistical significance of respective hypotheses, multiple linear regression analysis was conducted as appropriate at 95 percent confidence level ($\alpha = 0.05$). The results show that strategic leadership contributes significantly to the model since the p-value (0.000) for the constant and gradient is less than 0.05. The fitted equation is as shown below

$Y=1.713+0.533X_2$

Table 6: Coefficients for Strategic Leadership

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	1.713	.323		5.310	.000
Strategic Leadership	.533	.092	.479	5.802	.000

4.3 Organization Culture and Strategy Execution

To analyse the influence of organization culture on strategy execution, 8 sub variables were subjected to ranking and a 5-point Likert scale was used, with the strongest factor scoring five points, whereas the least scored one point. The mean and standard deviation scores were computed as shown in Table 7, the respondents confirmed that employee resistance to change was influencing strategy execution as it had the highest mean score of 4.15. The culture of rewarding best performance in the shipping companies was found to have a mean score of 3.88. The culture of embracing best practices and behaviors, and the culture of accepting divergent views from employees followed both with mean scores of 3.78. The communication processes in the shipping companies scored mean of 3.73. The least ranked component was the culture of taking business risks which had a mean of 3.08.

Table 7: Descriptive Statistics for Organization Culture

	N	Mean	Std. Dev	Variance
Employee resistance to change	115	4.15	1.062	1.127
Rewarding best performance	115	3.88	1.010	1.020
We embrace best practices and behaviours	115	3.78	0.935	0.873
We accept of divergent views from employees	115	3.78	0.998	0.996
Our communication process influences strategy execution	115	3.73	0.940	.883
We have a compelling vision	115	3.50	1.195	1.428
We have shared values meaning and understanding	115	3.12	1.093	1.196
We take business risks	115	3.08	1.251	1.564

4.3.1 Relationship between Organization Culture and Strategy Execution

Table 8 shows the correlation results which indicate that there was a positive and significant relationship between organization culture and strategy execution. This reveals that any positive change in organization culture will lead to increased execution of strategy. The relationship has been illustrated by the correlation co-efficient of 0.327, implying a positive relationship between organization culture and strategy execution in the shipping companies in Kenya. This was also evidenced by the p value of 0.000 which is less than that of critical value (0.05). The results are supported by studies done by Aksoy et al (2014), Kibicho (2015), Biswas (2009) who contend that corporate culture is vital in a business firm as it has a positive bearing in strategy execution, human resource performance and development.

Table 8: Relationship between Organization Culture and Strategy Execution

Variable		Strategy Execution	Organization Culture
Strategy Execution	Pearson Correlation	1	0.327
	Sig. (2-tailed)		0.000
	N	115	115
Organization Culture	Pearson Correlation	0.327	1
	Sig. (2-tailed)	0.000	
	N	115	115

Further, regression analysis was conducted to empirically determine whether organization culture is a significant determinant of strategy execution in shipping companies in Kenya. The coefficient of determination R^2 of 0.327 indicates that organization culture on its own in the model explains 32.7% of the variation or change in the dependent variable (strategy execution). The remainder of 67.3% is explained by other factors and variables in the model other than organization culture. The adjusted R^2 was 0.107 which did not change the results substantially as it reduced the explanatory behavior of the predictor to 32.7% Table 9 shows the goodness of fit of the model: $Y= \beta 0 + \beta_3X_3 + \varepsilon$ which is the linear model involving organization resources (X_3) as the only independent variable.

Table 9: Model Summary for Organization Culture

Model	Coefficient
R	0.327
R Square	0.107
Adjusted R square	0.099
Std Error of the estimate	0.56796

The overall model significance was presented in Table 10. An F statistic of 13.491 that was obtained from the model is greater than F-critical (1, 114) at P=0.05 this implies that we reject the null hypothesis that organization culture has no significant influence on strategy execution in Shipping companies in Kenya. The findings imply that organization culture was statistically significant in explaining strategy execution. The study, therefore, rejected the null hypothesis H_{04} at 95% confidence interval, meaning there was a significant relationship between organization culture and strategic execution.

Table 10: ANOVA for Organization Culture

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	4.352	1	4.352	13.491	.000[b]
Residual	36.452	113	.323		
Total	40.803	114			

Table 11 shows the model coefficients of the regression results of organization culture on strategy execution in shipping companies in Kenya. In order to establish the statistical significance of respective hypotheses, multiple linear regression analysis was conducted as appropriate at 95 percent confidence level (α = 0.05). The organization culture coefficients are presented in Table 4.35. The results show that organization culture contribute significantly to the model since the p-value (0.000) for the constant and gradient is less than 0.05. The fitted equation is as shown below

$Y= 2.330 +0.352 X_4$

Table 11: Coefficients for Organization Culture

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.330	.340		6.861	.000
Organization Culture	.352	.096	.327	3.673	.000

5.0 RECOMMENDATIONS AND CONCLUSIONS

It is possible to conclude that the shipping companies have sound leadership practices that influence strategy execution. The study findings led to the conclusion that the managers of these companies are committed to ensuring that strategy execution succeeds. In any business company a willing and committed leader greatly influences the results of the business processes. The study implies that the shipping companies should encourage leaders to be more committed and dedicated to their work and develop clear organization. The study therefore recommends that the Kenyan maritime regulators should assist in identifying leaders with the right expertise and experience in leading the shipping companies in Kenya to execute their strategies effectively. The regulators should also ensure that the policies and guidelines are put in place that can clearly guide who is to lead these companies. The shipping companies should collaborate with government agencies and other privately owned companies to learn on the best practices of strategy execution.

It was concluded that the companies had sound company culture practices as this was evidenced on how culture influenced strategy execution results in the study findings. The shipping companies had sound cultural practices of rewarding best performance, embracement of sound business practices and behaviour towards business operations. It is recommended that the shipping companies should ensure that their employees are well prepared for change. This can be done through training of the employees to new business techniques, involving the employees in the preparation of business strategic plans. This can be done through training of the employees to new business techniques, involving the employees in the preparation of business strategic plans. By doing so the managers will be able to manage employee expectations and hence reduce the culture of employee resistance to change which affects strategy execution. Managers should continue to encourage employee by recognizing and rewarding best performance. Best practices and behaviours should be well adopted by the employees as this will assist in strategy execution. The culture of acceptance of divergent views and new ideas from the employees should be encouraged. It is possible to conclude that from the findings of the study, organizational culture contributes more to strategy execution (32.7%) compared to strategic leadership (23.0%) as the rest is contributed by other factors not considered in this article.

6.0 SCOPE FOR FURTHER RESEARCH

It is recommended that a replica of this study should be carried out with or by expanding the scope to include the regulators of the maritime sector in Kenya so as to check whether the findings hold true as well. A replica study can also be conducted on individual shipping companies in the other countries they operate since most of the companies have global operations because of the nature of the shipping business. The findings of this study will provide a very good comparative case with the Kenyan or local findings.

Since the shipping industry is dominated by shipping liners and agents (81.3%) a study of this nature will be appropriate to evaluate the uniqueness of these companies in strategy execution. An in-depth study of shipping category differences on matters strategy execution between the shipping liners and agents, composite liners and shipping regulators will be appropriate. In this study it has clearly emerged that the shipping companies are not getting the needed support from the government as they are privately owned. In view of this, it is recommended that a detailed study on the role the Kenyan government can play in assisting the shipping companies in Kenya to effectively develop and execute competitive business strategies should be done. Implementation of the findings of such studies can greatly benefit the Kenyan economy from increased revenues associated maritime transport and boost the blue economy.

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