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**The Impact of Strategic Thinking on Organisational Performance: A Case Study of  
Uchumi Supermarket Limited**

**Gerald A. Juma, Prof. David Minja and Joash Mageto**



## **The Impact of Strategic Thinking on Organisational Performance: A Case Study of Uchumi Supermarket Limited**

<sup>1\*</sup>**Gerald A. Juma,**  
**Post graduate student**  
**Daystar University**

**\*Email: [gerrya2003@yahoo.com](mailto:gerrya2003@yahoo.com)**

<sup>2</sup>**Prof. David Minja,**  
**Lecturer, Department of Public Policy and Administration**  
**Kenyatta University**  
Email: [minjad11@gmail.com](mailto:minjad11@gmail.com)

<sup>3</sup>**Joash Mageto,**  
**Lecturer**  
**Daystar University**

### **Abstract**

The purpose of this study was to determine how strategic thinking impacts on organizational performance. The researchers used a case study and descriptive research design. The study was guided by Cognitive Hierarchy Theory and Hybrid EWA Model. The population for this study included all the 1,073 employees at Uchumi Supermarket Kenya Limited based in Kenya. The target population was 116 management staff. A sample of 64 managers from Nairobi County was selected for inclusion in the study. Primary data was collected using self-administered questionnaires and in-depth interview conducted on a senior manager. The data was processed through excel application and Statistical Package for Social Sciences (SPSS). The study found out that successful strategic planning and implementation requires intimate and enthusiastic involvement of all members of the organization and that management teams should strengthen the process of strategic thinking for it to be truly effective. The study recommends that top corporate executives should ensure that there is inclusion of all stakeholders especially employees in the planning process as this greatly encourages psychological attachment, strategic thinking and improves job satisfaction.

***Key words:*** *strategic thinking, organizational performance, culture*

## 1.0 Introduction

Strategic thinking is a key component in this process of change management where a combination of careful blending of alternative strategic approaches and remaining mindful of the impact of different decisions on an organization's value-creating process is essential. In such a scenario, strategic thinking born out of strategic leadership is needed to turn around poorly managed corporations to profit making and adaptive to environmental changes. It also entails maintaining a birds'-eye perspective on an organization's overall approach and to co-ordinate the multiple dimensions of a combination of strategy (Pisapia, 2009).

Strategic leadership defines the strategic direction an organization intends to take to remain competitive in its industry. It entails the capacity of top corporate executives to make strategic decisions and the capacity to drive organization towards success (Boal & Hooijberg, 2000). Most organizations operate under extreme pressure to attain efficiency hence the much needed strategic leadership to show direction and adapt to change to meet the ever evolving environmental challenges. It is therefore, imperative that managers with strategic thinking acumen who can scan the salient environmental trends and events with utmost predictability are of paramount importance to the successful change process that positively impacts on organizational performance (Harzing & Ruysseveldt, 2004).

Strategic planning, therefore, is concerned with the setting of long-term organizational goals, the development and implementation of plans to achieve these goals, and the allocation or diversion of resources necessary for realizing these goals (O'Regan & Ghobadian, 2004). This means that in a practical sense, strategic thinking in particular and strategic planning in general is about competitive advantage. This argument is supported in the empirical literature which suggests that with respect to performance and better management of organizational change, strategic thinking enables organizations to perform better and successfully manage change. For instance, organizations that engage in strategic planning are more likely to achieve higher sales growth, higher returns on assets and higher margins on profit and higher employee growth compared to those that do not (Gibson & Cassar, 2005).

The quality of organizational thinkers is critical to the successful performance and survival of an organization. Thinking strategically, therefore, is key to the performance of an organization in an environment where competition is stiff and new emerging competitive forces pose threats to the survival of the firm (Pisapia, 2009). Changes come as a result of fundamental transitions in a wide variety of industries by major catalysts such as global competition, technological discontinuities and changing customer expectations that impose new strains on organizational strategies. These changes compel managers (strategists) to develop strategic intent in search of new approaches that give guidance in a turbulent environment. Strategic plans provide organizations with a clear game plan on how to achieve the mandate of the organization strategically. The strategic thinker (manager) needs to integrate the knowledge of business environment into a vision of what the organization could become and ultimately restore its competitiveness in the industry in which it operates. Dess et al. (2008) argue that such a move necessitates the capacity to solve increasingly complex problems and become proactive in approach and develop viable strategic options.

## **1.2 Statement of the Problem**

Despite organizations positive contributions to their national economies, poor strategic plans and lack of proper implementations occasioned by lack of strategic thinking continue to impact negatively on their overall performance. From a research point of view, strategic thinking elements involved in creating a strategic direction has not been addressed thoroughly in studies carried out in the past. For example, in Kenya, Gekonge (2010), in his work “A survey of strategic change management practices by Kenyan companies” dwells on managing strategic change and culture as the most important factor that influences the successful implementation of strategic change management and does not address the key strategic elements although scholarly work done by Bowen, Muriithi, and Morara (2000) underscored the importance of strategic thinking in SMEs in particular and on organizational change and performance in general. It is argued that little focus has been given to key thinking elements that strategic thinkers should apply in an organization to bring the much needed change and enhance organizational performance. This study, therefore, underscores the importance of strategic leaders in embracing these key thinking elements in organizational performance.

For the last 25 years, studies have identified top leaders’ lack of strategic thinking as a major detractor of organizational performance (Bonn, 2001; Essery, 2002; Mason, 1986; Zabriskie & Huellmantel, 1991). Were strategic thinking present, better corporate decisions would have been made and greater value provided to customers in particular and other stakeholders in general. Three reasons for strategic thinking gap have been suggested: A lack of understanding of the concept overall; constant practitioner and theoretician confusion of the term “strategic thinking” with strategic planning as well as other strategic leadership practices.

It is, therefore, imperative that from an organization’s point of view, these key elements, when properly applied, should help top company executives create a mindset that makes sense of complexities facing an organization. It is in this light that the current study aimed to fill the existing gap by assessing the impact of strategic thinking on organizational performance with a specific focus on Uchumi Supermarket.

## **1.3 Objectives of the Study**

- i. To examine the key components of strategic thinking elements applied by managers to turn around their organizations.
- ii. To determine whether culture had any influence on organizational performance.
- iii. To establish the benefits of strategic thinking to organizational performance.

## **2.0 Theoretical review**

### **2.1 Cognitive Hierarchy (CH) Theory**

According to Camerer (2003), the best developed elements of behavioural game theory are: cognitive hierarchy theory and hybrid EWA theory. In this study, the theory of cognitive hierarchy and hybrid EWA model are of significant relevance. In cognitive hierarchy model, players use a series of recursive thinking steps which open up a series of strategies which lead to new avenues of opportunities. In this particular approach, cognitive hierarchy theory becomes fundamental because it assumes that individuals with great thinking acumen (abilities) or higher-



step players who can be referred to as “good strategists” choose the strategy with the highest expected pay-off given the perceived distribution of what lower-step thinkers will do.

## **2.2 Hybrid EWA Model**

It has been noted that even though strategic thinking is limited among corporate strategists, behaviour can approximate equilibrium prediction surprisingly well if people can learn over time or through imitation or some other adaptive process (Camerer & Ho (1999)). In the learning approach, the hybrid EWA Model has been hailed as robust because it entails the numerical attraction of strategy after a period of time given a particular pay-off or a forgone pay-off from a different strategy. As a player gains success with a particular kind of strategy, they stick with it and the same open their minds to learning because of sophistication that develops with increased achievements.

It therefore follows that strategic thinkers, according to Camerer and Ho (1999), need to weigh different strategies and discard the “old” ones or those with decaying memories because the environment is constantly changing. These two theories are relevant to the study because the cognitive hierarchy theory encourages the strategic thinkers to maintain the top thinking bracket in order to stay ahead of the pack. In hybrid EWA model, players put a partial weight on counterfactual imagination of forgone pay-offs from strategies they did not choose. However, Camerer (2003) notes that because of the sophistication, players tend to realize they are playing against other people who are also learning and hence adjust their behaviour accordingly. It is particularly important when players are matched together repeatedly like workers in firms or players in the same industry for instance Uchumi and other supermarket chains in Kenya, notably Nakumatt and Tuskys. This is possible because these players do more steps of thinking than non-strategic-thinkers.

## **2.1 Empirical review**

Bonn (2001) suggests that organizations that successfully develop and integrate strategic thinking at individual and organizational levels can create a core competency that becomes the basis of enduring competitive advantage. It is from this perspective that the role of strategic thinking has to become central for the future health of an organization. Liedtka (1998) defines strategic thinking as requiring both thinking across time (past to future) and testing hypothesis and gives the core elements of strategic thinking as systems perspective; strategic intent (intent focus); intelligent opportunism; thinking in time and hypothesis driven.

Hanford (1995) sees strategic thinking as both taking a helicopter perspective and detailing key issues. Mintzberg (1995) on the other hand, identifies the need for inductive thinking and specifies ways to look at an issue. Thus strategic thinking requires both specific mental approaches and specific task completion. Gibson and Cassar (2002) argue that empirical evidence reveal that there is a link between strategic thinking and planning and business performance.

Graetz (2002) argues that strategic thinking is a skill more commonly found in people who are creative and able to work outside their comfort levels, coping well in situations with low structures in the available information. Today, myriad tests and techniques are available that claim to distinguish creative individuals. Graetz states that it is possible to combine such

selection criteria with subsequent training programs that develop the selected applicants in thinking and managing in unstructured situations.

Ingrid (2001), Graetz (2002), Liedtka (1998) and Mintzberg (1994) are among many scholars who draw a clear distinction between the systematic nature of pre-identified strategies called strategic planning and the more integrated perspective of strategic thinking. Mintzberg (1994), for example, notes that thinking strategically is distinct from conventional conception of planning. Analysis, which is the hallmark of planning, involves a need for logic, reasoning, linear and rational thinking. It involves being able to manipulate words and numbers. Strategic thinking, on the other hand, places a premium on synthesis and integration and requires the ability to examine new possibilities dealing with large chunks of information and the ability to pull up pieces together into a big picture.

Further, it involves being able to recognize patterns and visual images. In strategic thinking, not only are the data sources different but the analysis of the data is also different than in strategic planning. Strategic thinking, according to Pisapia (2009) is the ability to analyze influencing factors both from within and outside the organization, to discover strategic direction that would guide the organization's decision making and resource allocation for a period of 3-5 years.

Leidtka's (1998) taxonomy offers an overview on the differing dimensions of strategic thinking versus strategic planning. These dimensions include: Vision of the future, strategic formulation and implementation, managerial role in strategy making, control, managerial role in implementation, strategy making and process and outcomes. Bonn (2001) observes that strategic thinking is the cognitive process that precedes strategic planning or action, whereby an individual contemplates the future development of organization which considers its attributes, its past and present and the external realities within which it operates.

Mintzberg (1994) argues that strategic planning is not strategic thinking and while planning concerns analysis, thinking involves synthesis—encouraging intuitive, innovative and creative thinking at all levels of the organization. He further contends that good strategic planning can only take place after strategic thinking has happened and also observes that strategic thinking and action take place in the throes of operational activity, a combination he called emergent strategy.

Heracleous (1998) suggests that strategic thinking and strategic planning are interrelated and equally important for effective strategic management. Thomson and Strickland (1998) concur and state that a well - designed strategic management system facilitates strategic thinking within the organization. Strategic thinking is the cognitive process that can and should precede strategic decision and action, whether arrived at through planning or emergent action. Strategic thinking occurs when a person contemplates the future of an organization taking into consideration its environmental and competence variables. A widespread and integrated capability in strategic thinking within the organization can create a core competency that can enhance and sustain its competitive advantage (Heracleous, 1998)

Pisapia (2006) argues that organizations that lack leaders with strategic thinking skills/insights are prone to multiple inadequacies because oftentimes, the leaders are trained and rely upon a linear thinking mindset which doesn't work in situations characterized by ambiguity and complexity. In addition, such leaders according to Pisapia (2009), are unable to identify societal and institutional forces impacting their environments and thus do not connect their organizations to the major themes associated with success. He further argues that such leader's concept of

change is also linear and therefore they overuse quantifiable parameters in the change process and do not seek to rationally plan their way to success and do not see their organizations and individuals as a coherent whole. This argument is supported by Giona and Thomas (1996) who contend that such practices do not connect with significant forces in their critical path of success.

Bradford (2002) argues that managers need to understand the fluidity of business. Coupled with the quickening pace of change, it becomes apparent that business fluidity requires well thought-out strategies that will set a coherent directional focus and enable it adapt to change. Creating a strategy- focused company, he further argues, cannot be done without strategic thinking elements rooted in an individual charged with the responsibility of the change process.

Kaplan and Norton (2001) contend that the five key principles required for building strategy-focused organizations that can effectively deal with change and its challenges are aligning the organization to strategy; making strategy everyone's everyday job; making strategy a continual process and mobilizing change through gaining organizational commitment.

Studies conducted on the imaginist and producer levels of brain thinking suggest that the elements of left -brain thinking reflect the planning side of strategy making (need for logic, analysis, attention to detail, focus on meeting deadlines) while right brain thinking mirrors the thinking (creative, inquisitive, intuitive, entrepreneurial) components of strategy making (Graetz, 1996; Graetz et al. 1998).

Goleman (1998, p. 94) found out that outstanding business leaders exhibited a "high degree of emotional intelligence" and thus emotional intelligence helps cultivate a strong linkage between the roles and skills of organizational leaders vis-a-vis the capacity to stimulate and engender strategic thinking with an organization. Key characteristics of emotional intelligence and superior leadership include: Strong interpersonal skills; an ease with ambiguity and openness to change; the ability to draw others to a vision and take decisive action; contagious enthusiasm and commitment; belief and sensitivity to followers; expertise in building and leading teams; expertise in managing relationships, building networks; and creating rapport; high energy levels; passion, motivation and commitment and a deeper understanding of the business and its operations.

Studies carried out on communications company case findings in the U.S.A, support the view that while strategic thinking capabilities can be nurtured and diffused throughout an organization, it will need business leaders with a high degree of emotional intelligence to lead the way (Quinn, 1993). The study revealed that, for example, the LTAT results indicated that enormous creative potential exists within an organization. What needs to be done, therefore, is to strengthen the process of strategic thinking for it to be truly effective. He further argues that the process of strategy making cannot rely on a rigid set of pre-determined routines, but rather must be dynamic, opportunistic, flexible and adaptive. For this to occur, it must blend deliberative strategic planning with emergent, intuitive, strategic thinking.

Torrington and Hall (1995) argue that it has been proved conclusively that culture cannot be ignored in the formulation and implementation of strategy, if superior performance or organizational excellence is to be achieved. Similarly, Johnson and Scholes (1999) also contend that corporate culture is important because of its link to corporate strategy, as it provides a framework for both strategy formulation and implementation. They further argue that significant strategic realignment cannot occur if the changes are not supported by the organization's values.

Baba (1989) argues that organizations can be viewed as heterogeneous societies with complexities comprising of many different sub-cultures with varying values and attitudes. Schein (2004) on the other hand, defines culture as a group as a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration that has worked well to be considered valid and therefore to be taught to new members as the correct way to perceive thinking and feel in relation to those problems (2004, p. 17).

Weeks (1988) suggest a need to add a cultural perspective to the repertoire of perspective on strategic management. It therefore follows that by introducing a cultural perspective to the strategic management process, a social dimension is added to the process hence presenting a more comprehensive means of strategic management.

Goldsmith and Clutterbuck (1999) contend that organizations that stagnate eventually die. In order to survive in a dynamic business environment, an organization must, through strategic thinking by top executives, formulate and implement a strategy that ensures organizational sustainability and growth which is responsive to environmental change. Change will definitely bring structural adjustments and influence social dimensions within the organization and therefore impact on the culture of the organization.

Similarly Kilduff and Wengpi (2003) claim that organizations needs networks essential for smooth flow of business functions. This is because the accuracy and speed of daily business transactions especially for large organizations are vital to their success. Therefore, any disruption resulting in the failure to process these daily business transactions are costly and potentially disastrous. Hubert and Elgar (2001) view that networks form essential links in all organizations and exist among co-workers, firms and among individuals and institutions. They further state that managers who apply the essential strategic thinking elements establish patterns that both propel and enhance organizational activities. Since networks are such a vital component of how organizations function, it is increasingly important for organizations to increase and maintain collaborative links for easy resource acquisition (Hubert & Elgar, 2001).

Robert (2004) also agrees that the widespread use of networks extends the reach of organizations to its publics. Such extensions include the remote interactions with customers, suppliers and business partners and have arguably benefited countless businesses. On the other hand, Kilduff and Wengpi (2003) stipulate that networks have correspondingly positively impacted the overall productivity of many countries. Such productivity gains, they further state, are only as good as the network itself.

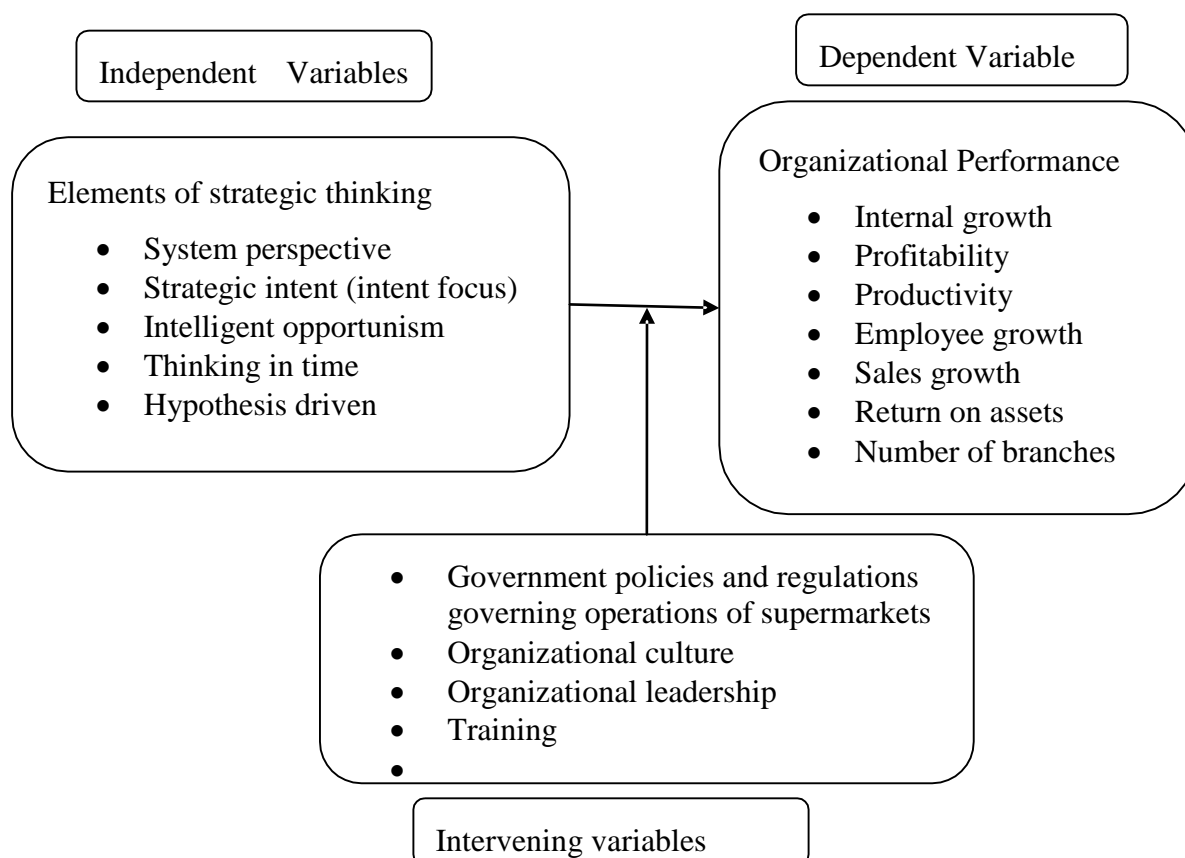
Minja (2013) contends that effective leadership provides a framework that yields results. He further asserts that the leader's values must shift from self-promotion to care and development of others/followers. Sydarimaanlakka (2002) cited in Minja (2013) stipulates that the rapidly changing business environment requires flexibility, quick response, creativity and great learning skills. Sydarimaanlakha further explains that an effective leader is an individual who influences others, grow as a leader and help an organization live out its mission successfully.

Hambrick (2007) notes that if we want to explain why organizations do things they do or why they perform the way they do, we must examine people at the top. It is, therefore, critical to focus on top managers of an organization because, ultimately, they account for what happens to the organization.



Dess et al. (2008) argue that organizations must have effective strategic controls if they are to successfully implement their strategies. In essence, organizations must promote sound corporate governance as well as have controls that are consistent with the strategy that the firm is pursuing.

## 2.2 Conceptual framework



**Figure 1: Conceptual Framework**

## 3.0 Research methodology

The study employed a case and descriptive study approach. The population for this study included all the employees at Uchumi Supermarket Kenya Limited based in Kenya. Therefore, the population of this study was 1,073 employees working for Uchumi Supermarket Limited. Since this study targeted management staff, the target population was therefore 116. A sample of 64 managers from Nairobi County were selected for inclusion in the study. simple random sampling method was used to select the sample. Both primary and secondary data was collected. This study used a questionnaire and interview guide. Self-administered questionnaires were given out to middle and line managers and interview was conducted to a senior manager human

resource who gave candid responses on the position of the management. The initial pilot study was conducted with a sample of two participants each drawn from the five branches within Nairobi County thus bringing a sample of 10. The data from this study was processed through excel application and Statistical Package for Social Sciences (SPSS).

## 4.0 RESULTS AND DISCUSSIONS

### 4.1 Respondents' response rate

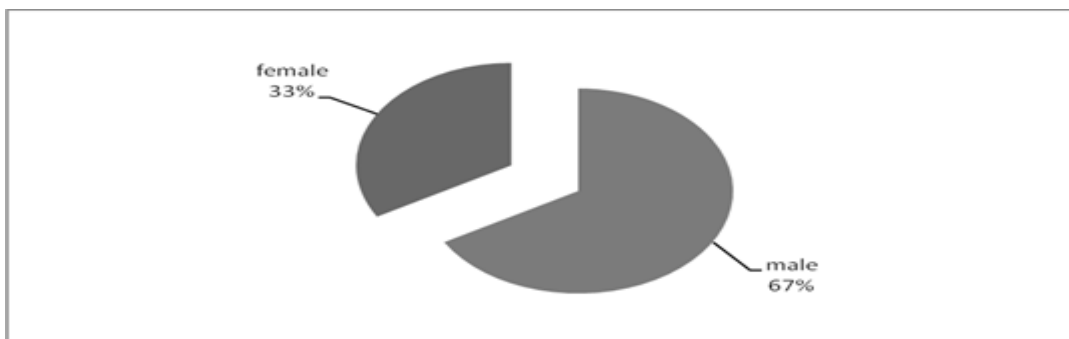
The study targeted the management team of Uchumi Supermarket limited. Out of the 64 questionnaires administered, a total of 48 filled questionnaires were returned and one interview was conducted. This translates to a response rate of 75% which is within Mugenda and Mugenda (2003) prescribed significant response rate for statistical analysis, which they established at a minimal value of 50%. This commendable response rate was made possible by the use of a research assistant who administered the questionnaires and made subsequent calls and visits to remind the respondents to fill in the questionnaires.

### 4.2 Demographic data

#### 4.2.1 Gender distribution of respondents

The research also sought to find out the gender distribution of the respondents as shown in the

Figure 2:



**Figure 2: gender distribution**

In determining the gender of the respondents, the research established that, majority 67% (32) were male while 33% were female. The majority of the respondents were male, implying that Uchumi Supermarket Limited had employed more male than female workers within its branches.

#### 4.2.2 Position held in the company

The study sought to find out the respondents position in the company. Results were presented in table 1

**Table 1: Position Held in the Company**

	Frequency	Percent (%)
Branch manager	13	27.1
Deputy branch manager	6	12.5
HRM director	2	4.2

Human Resources Staff	3	6.3
ICT manager	3	6.3
ICT supervisor	4	8.3
Stock Manager	7	14.6
Quality audit supervisor	3	6.3
Security Manager	3	6.3
Supervisor	4	8.3
Total	48	100.0

The research established that 27.1% were branch managers, 14.6% were managers, 12.5% were deputy branch managers, 8.3 % were ICT supervisors, respectively, 6.3% were human resources, ICT, quality audit supervisors and security manager, respectively, while 4.2% were HRM managers. These findings show that the respondents were distributed across different managerial positions in the organization hence the data collected was more representative. The branch managers were in a large number because they are the ones involved in the development of strategies that propel the organization to its mission and vision.

#### 4.2.3 Level of education

Data findings on the level of education of the respondents are shown in the Table 2.

**Table 2: Level of Education**

Level of education	Frequency	Percent
Secondary	4	8.3
Tertiary	11	22.9
Undergraduate	31	64.6
Masters	2	4.2
Total	48	100.0

According to the findings, 64.6% of the respondents had an undergraduate degree, 22.9% had a tertiary level of education, and 8.3% had a secondary certificate while 4.2% had a master's degree. These findings show that Uchumi Supermarket had more undergraduate staff at the respective branches than any other qualification. This could be attributed to the magnitude of decision making roles placed on the staff which requires that they be well qualified. In order for the managers to make quality decisions that would see the organization grow, it is important that they have adequate education.

#### 4.2.4 Period of Work at Uchumi Supermarket Limited

The study further sought to establish the length of time that the respondents had worked for Uchumi Supermarket Limited as shown in table 3:

**Table 3: Period of Work at Uchumi Supermarket Limited**

	Frequency	Percent
2-3 years	3	6.3
4-5 years	26	54.2
More than 5 years	19	39.6

Total	48	100.0
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According to the findings, majority of the respondents at 54.2% had worked for Uchumi Supermarket limited for between 4-5 years, 39.6% had worked for Uchumi Supermarket for more than 5 years, while 6.3% had worked for Uchumi Supermarket for between 2-3 years.

### 4.3 Elements of Strategic Thinking

#### 4.3.1 Components of Strategic Thinking

Respondents answered statements regarding components of strategic thinking among organization managers. The findings were as shown Table 4.

**Table 4: Components of Strategic Thinking Among Organizational Managers**

	Strongly Agree		Agree		Moderately Agree		Disagree		Strongly Disagree	
	F	%	F	%	F	%	F	%	F	%
Strategic thinking evaluates all components of the Business	36	75.0	8	16.7	4	8.3	0	0	0	0
Environmental scanning is performed during strategic thinking process	37	77.1	6	12.5	5	10.4	0	0	0	0
All employees at the organization are involved in strategic thinking process	16	33.3	19	39.6	11	22.9	2	4.2	0	0
The strategic plans developed as a result of strategic thinking process are flexible and detailed	17	35.4	26	54.2	5	10.4	0	0	0	0
The complete end-to-end system of value creation is used during strategic thinking process	26	54.2	22	45.8	0	0	0	0	0	0
Strategic thinking process at Uchumi combines creativity and vision	35	72.9	11	22.9	2	4.2	0	0	0	0
Challenges are predicted and strategies to mitigate their effects are identified during strategic thinking process at Uchumi	34	70.8	12	25.0	2	4.2	0	0	0	0
Strategic thinking process considers the interests of all stakeholders of Uchumi Supermarket	17	35.4	24	50.0	5	10.4	2	4.2	0	0
Strategic thinking improves the competitiveness of Uchumi in the market	43	89.6	5	10.4	0	0	0	0	0	0
Strategic thinking involves high levels of innovativeness	8	16.7	36	75.0	4	8.3	0	0	0	0
Past short comings are used in the improvement of future strategic plans	34	70.8	14	29.2	0	0	0	0	0	0

Strategic thinking managers are open to new ideas	30	62.5	18	37.5	0	0	0	0	0	0
Strategic thinking team considers alternative strategies	29	60.4	19	39.6	0	0	0	0	0	0
There is clear communication among the strategic thinking team	44	91.7	4	8.3	0	0	0	0	0	0

From the findings in Table 4, 91.7% of the respondents strongly agreed there was clear communication among the strategic thinking team while 8.3 % moderately agreed. On whether strategic thinking improved the competitiveness of Uchumi in the market, 89.6% of the respondents strongly agreed while 10.4% agreed. On whether environmental scanning was performed during strategic thinking process, 77.1% of the respondents strongly agreed, 12.5% agreed while 10.4% moderately agreed. With regard to whether strategic thinking was used to evaluate all components of the business, 75% strongly agreed, 16.7% agreed while 8.3% moderately agreed. Concerning whether strategic thinking involved high levels of innovativeness, 75%) of the respondents agreed, 16.7% strongly agreed while 8.3% moderately agreed. With regard to whether strategic thinking process at Uchumi combined creativity and vision, 72.9% strongly agreed, 22.9% agreed while 4.2% moderately agreed. With regard to whether challenges were predicted and strategies to mitigate their effects were identified during strategic thinking process at Uchumi, 70.8% strongly agreed, 25.0% agreed while 2.0% moderately agreed. Bonn (2001) points out that for strategic thinking to occur, three attributes need to be presented: A holistic understanding of the organization and its environment, recognizing the linkages and the complexity of various sub-structures and relationships; creativity, that is thinking outside the box, for new ideas and frequently removing old ideas and practices and a vision for the future of the organization.

On whether past shortcomings were used in the improvement of future strategic plans, 70.8% strongly agreed, while 29.2% agreed. On whether strategic thinking managers were open to new ideas and experiences, 62.5% strongly agreed while 37.5% agreed. With regards to whether strategic thinking team considered alternative strategies, 60.4% strongly agreed while 39.6% agreed. This is in line with Liedtka (1998) who suggests that strategic thinking embodies a focus or intent that does not necessarily strive to dovetail resources and opportunities; involves thinking in time, in that looking to the future, it is imperative to consider the past and the present as all are interconnected and is hypothesis driven.

Asked whether the strategic plans developed as a result of strategic thinking process were flexible and detailed, 54.2% of the respondents agreed, 35.4% strongly agreed while 10.4% moderately agreed. With regard to whether the complete end-to-end system of value creation was used during strategic thinking process, 54.2% strongly agreed while 45.8% agreed. On whether strategic thinking process considered the interests of all stakeholders of Uchumi Supermarket, majority of the respondents 50% strongly agreed, 35.4% agreed, 10.4% moderately agreed while 4.2% disagreed. With regard to whether all employees at the organization were involved in strategic thinking process, majority of the respondents 39.6% agreed, 33.3% strongly agreed, 22.9% moderately agreed while 4.2% disagreed. Bonn (2001) suggests that organizations that successfully develop and integrate strategic thinking at individual and organizational levels can create a core competency that becomes the basis of enduring competitive advantage. It is from



this perspective that the role of strategic thinking has to become central for the future health of an organization.

#### 4.3.2 The Influence of Culture in Organizational Performance

The study went further to request respondents to indicate their degree of agreement with various statements as regards organizational culture. The findings were as shown in table 5.

**Table 5: Organizational Culture**

	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	F	%	F	%	F	%	F	%	F	%
Culture gives members a sense of identity	48	100	0	0	0	0	0	0	0	0
Culture increases employees commitment	19	39.6	21	43.8	8	16.7	0	0	0	0
Culture reinforces organizational values	39	81.3	7	14.6	2	4.2	0	0	0	0
Culture serves as a control mechanisms for shaping behaviour	28	58.3	14	29.2	4	8.3	2	4.2	0	0
Culture promotes high level of achievements	16	33.3	26	54.2	6	12.5	0	0	0	0
Culture facilitates the acceptable solutions to know the problem	11	22.9	35	72.9	2	4.2	0	0	0	0
Culture promotes creativity and strategic thinking in an organization	25	52.1	21	43.8	2	4.2	0	0	0	0
Improving organizational culture promotes strategic thinking	31	64.6	12	25.0	2	4.2	0	0	3	6.3

From the findings in Table 5, all the respondents 100% indicated that culture gave members a sense of identity. Asked whether culture reinforced organizational values, 81.3% strongly agreed, 14.6% agreed while 4.2% moderately agreed, on whether culture facilitated the acceptable solutions to know the problem, 72.9% of the respondents agreed, 22.9% strongly agreed while 4.2% moderately agreed. Bonn (2001) contends that one structure of developing strategic thinking is a strategic forum where proactive approach could be employed by senior management teams wishing to maximize the benefits of its strategic thinkers.

With regard to whether improving organizational culture promoted strategic thinking, 64.6% strongly agreed, 25% agreed, 6.3% strongly disagreed while 4.2% moderately agreed. Asked

whether culture served as a control mechanism for shaping behavior, 58.3% strongly agreed, 29.2% agreed, 8.3% moderately agreed while 4.2% disagreed. On whether culture promoted high level of achievements, 54.2% of the respondents agreed, 33.3% strongly agreed while 12.5% moderately agreed. On whether culture promoted creativity and strategic thinking in an organization, 52.1% strongly agreed, 43.8% agreed while 4.2% moderately agreed. The strategy-eating potential of culture has been used as the basis for recommending that leaders initiate large-scale change efforts to align culture with strategy. However, it has long been recognized that culture can also severely restrict the strategy selected to begin with, because of the myopia of the shared beliefs among decision makers regarding the organization's goals, competencies, and environment (Lorsch, 1985).

#### 4.3.3 Benefits of Strategic Thinking on Organizational Performance

The study went further to request respondents to indicate their degree of agreement with various statements as regards, ways of improving strategic thinking to enhance performance in an organization. The findings were as shown in table 6.

**Table 6: Improving Strategic Thinking to Enhance Performance in an Organization**

			Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
			F	%	F	%	F	%	F	%	F	%
Vision fosters strategic thinking			41	85.4	7	14.6	0	0	0	0	0	0
Employee involvement in decision making promotes strategic thinking			30	62.5	16	33.3	2	4.2	0	0	0	0
Good corporate policies promotes strategic thinking			34	70.8	8	16.7	6	12.5	0	0	0	0
Improving organizational culture promotes strategic thinking			26	54.2	20	41.7	2	4.2	0	0	0	0
Rewarding creativity and innovation increases strategic thinking			38	79.2	8	16.7	2	4.2	0	0	0	0
Staff training and development promote strategic thinking			29	60.4	17	35.4	2	4.2	0	0	0	0
Good management style promote strategic thinking			34	70.8	10	20.8	4	8.3	0	0	0	0
Effective communication skills promote strategic thinking			44	91.7	0	0	4	8.3	0	0	0	0
Implementation of strategic planning that incorporates elements of strategic thinking			35	72.9	6	12.5	7	14.6	0	0	0	0

According to the findings, asked whether effective communication skills promoted strategic thinking, 91.7% of the respondents strongly agreed while 8.3% moderately agreed. With regards to whether vision fostered strategic thinking, 85.4% strongly agreed while 14.6% agreed. On whether rewarding creativity and innovation increased strategic thinking, 79.2% strongly agreed, 16.7% agreed while 4.2% moderately agreed. On whether implementation of strategic planning incorporates elements of strategic thinking, 72.9% strongly agreed, 14.6% moderately agreed while 12.5% agreed. With regard to whether good management style promoted strategic thinking, 70.8% strongly agreed, 20.8% agreed while 8.3% moderately agreed. With regard to whether good corporate policies promoted strategic thinking, 70.8% strongly agreed, 16.7% agreed while 12.5% moderately agreed. Strategic thinking is an individual experience and takes place informally and without any decision or action necessarily following. Planning on the other hand requires a degree of formality and structure and generally entails some decision and actions. Bad planning can conversely discourage strategic thinking (Wenger & Snyder, 2000).

Asked whether employee involvement in decision making promoted strategic thinking, 62.5% strongly agreed, 33.3% agreed while 4.2% moderately agreed. On whether staff training and development promoted strategic thinking, 60.4% strongly agreed, 35.4% agreed while 4.2% (2) moderately agreed. On whether improving organizational culture promoted strategic thinking, 54.2% strongly agreed, 41.7% agreed while 4.2% moderately agreed. Mintzberg (1994) argues that strategic planning is not strategic thinking and while planning concerns analysis, thinking involves synthesis - encouraging intuitive, innovative and creative thinking at all levels of the organization. He further contends that good strategic planning can only take place after strategic thinking has happened and also observes that strategic thinking and action take place in the throes of operational activity, a combination he called emergent strategy.

#### **4.4 Interview Guide Analysis**

An interview was conducted on one of the managers at the corporate headquarters who had worked for Uchumi for between five to fifteen years. With regard to whether strategic thinking evaluated all components of the Business at Uchumi, the interviewee indicated that strategic thinking evaluated all components of the business at Uchumi. On whether environmental scanning was performed during strategic thinking process, the interviewee indicated that it was performed and it addressed all the environmental forces. On whether all employees at the organization were involved in strategic thinking process, the interviewee indicated that all employees were involved through their immediate supervisors.

Asked whether the strategic plans developed as a result of strategic thinking process were flexible and detailed, the interviewee indicated that the strategic plans developed were flexible and detailed. This is because there is room to review plans depending on the environmental forces and their effects on the organization. On whether the complete end-to-end system of value creation was used during strategic thinking process, the interviewee indicated that the complete end-to-end system of value creation was used during strategic thinking process because all the business partners are involved in the value creation process. With regards to whether strategic thinking process at Uchumi combined creativity and vision, the interviewee indicated that strategic thinking process at Uchumi combined creativity and vision. This process starts by crafting corporate vision and the vision geared towards achieving that vision which results into creativity. Asked whether there are challenges predicted and strategies to mitigate their effects identified during strategic thinking process at Uchumi, the interviewee indicated that the

challenges were predicted e.g. in growth, resources involved were identified and availed. He further added that the process of rights issues was underway and this allowed for more funds to mitigate the challenges. This meant that their effects were identified.

On whether the strategic thinking process considered the interests of all stakeholders of Uchumi Supermarket, the interviewee indicated that the strategic thinking process considered the interests of all stakeholders of Uchumi Supermarket because at the strategy level decision making, all Uchumi stakeholders were involved through their representatives. On whether strategic thinking improved the competitiveness of Uchumi in the market, the interviewee indicated that strategic thinking improved the competitiveness of Uchumi in the market because it enabled the organization to develop. For example, ERP made the organization incorporate systems with other systems/ organizations, for example, KPLC in paying power bills. On whether strategic thinking process involved high levels of innovativeness, the interviewee indicated that strategic thinking process involved high levels of innovativeness. For example, the retail outlet did not have any branch in Tanzania but because of innovativeness, two new branches were opened in Tanzania.

On whether past shortcomings were used in the improvement of future strategic plans, the interviewee indicated that past shortcomings were used in the improvement of future strategic plans and that was why the approach in growth was cautious. The market survey/intelligence was carried out with a view to finding the best site to put up a branch. With regard to whether strategic thinking managers were open to new ideas and experiences, the interviewee indicated that they were because of business dynamics and ever changing global and local trends. On whether the strategic thinking team considered alternative strategies, the interviewee indicated that the strategic thinking team considered alternative strategies depending on the business circumstances. With regard to whether there was clear communication among the strategic thinking team, the interviewee indicated that there was through strategic meetings, internal memos, iPads and email.

On ways in which strategic thinking had influenced performance at Uchumi Supermarket, the interviewee indicated that the number of outlets had grown from 4 outlets in 2006 to 23 outlets, cash generation was internal, involvement of all the staff through their section heads, open door policy really worked very well for the organization because of new ideas, suppliers' net turn increased and employee turnover reduced.

Asked whether organization culture at Uchumi gave members a sense of identity, the interviewee indicated that organization culture at Uchumi gave members a sense of identity, through articulation of the core values i.e. team work, commitment, networking, social responsibility, and staff welfare. On whether organization culture at Uchumi increased employees' commitment, the interviewee indicated that organization culture increased employee's commitment because the management embraced open door policy. On whether organization culture at Uchumi reinforced organizational values, the interviewee indicated that organization culture reinforced organizational values because there was a code of ethics followed which helped reinforce those values. With regard to whether organization culture of Uchumi served as a control mechanism for shaping behaviour, the interviewee indicated that it did because of laid down code of ethics, which controlled behaviour. On whether organization culture promoted high level of achievements, the interviewee indicated that it did because of high degree of belongingness, open door policy and teamwork whereas in-house training was encouraged and attending academic institutions to further education. With regards to whether organization culture of

Uchumi facilitated the acceptable solution to know the problem, the interviewee indicated that it did because there were employee unions. Employees had unions which championed their interests and grievances e.g. KUFAW.

On whether Uchumi culture promoted creativity and strategic thinking in an organization, the interviewee indicated that the open door policy encouraged new ideas generation, improved organizational culture, promoted strategic thinking and the culture was also flexible and allowed employees to air their grievances' through KUFAW.

Asked whether vision fostered strategic thinking, the interviewee indicated that vision fostered strategic thinking because it prescribed a specific direction where one wanted to go and what was to be achieved. With regard to whether employee involvement in decision making promoted strategic thinking, the interviewee indicated that employee involvement in decision making promoted strategic thinking because customer satisfaction could only be made possible through committed employees whose contributions helped the management in coming up with plausible decisions and optimal solutions that were applicable. On how good corporate policies promoted strategic thinking, the interviewee indicated that good corporate policies resulted in a conducive working environment, increased brand loyalty and endeared the company to new and existing customers.

With regard to whether improving organizational culture promoted strategic thinking, the interviewee indicated that it did. On whether rewarding creativity and innovation increased strategic thinking, the interviewee indicated that it did. This was done through gift vouchers, promotion, training and sponsorship. On whether staff training and development promoted strategic thinking, the interviewee indicated that staff training and development promoted strategic thinking through acquiring new skills, competency, the direction and how to articulate it. On whether good management style promoted strategic thinking, the interviewee indicated that good management style promoted strategic thinking through accommodating divergent views, encouraging creativity and innovations, allowing sessions for brainstorming to generate new ideas and by paying annual subscription to member organizations to avoid deregistration of its numbers from such organizations.

Asked whether effective communication skills promoted strategic thinking, the interviewee indicated that effective communication skills promoted strategic thinking through feedback and systems automation. On whether implementation of strategic planning incorporated elements of strategic thinking, the interviewee indicated that it did through promoting systems perspective, thinking in time, hypothesis driven, intelligent opportunism and intent focus.

## **5.0 DISCUSSION CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Discussions**

From the findings, 89.6% of the respondents indicated that strategic thinking affected overall performance of Uchumi Supermarket limited to a very great extent. Organizations that successfully develop and integrate strategic thinking at individual and organizational levels can create a core competency that becomes the basis of enduring competitive advantage. It is from this perspective that the role of strategic thinking has to become central for the future health of an organization.



In determining the extent to which the culture of Uchumi Supermarket affected its strategic focus, from the findings, 89.6% of the respondents indicated that it affected its strategic focus to a very great extent. Culture influences decision making regarding the organization's goals, competencies, and environment.

The findings indicate that effective communication skills promoted strategic thinking, vision fostered strategic thinking and that rewarding creativity and innovation increased strategic thinking. The implementation of strategic plans in organizations is a precursor of strategic thinking.

## **5.2 Conclusions**

Strategic thinking enables an organization alter its strengths relative to those of competitors because from it, credible strategic plans are crafted so that efficiency in production processes can be achieved and at the same time competitors strategies are effectively countered.

The study concluded that successful strategic planning and implementation requires intimate and enthusiastic involvement of all members of the organization and through formal and informal channels in providing information for decision making.

Organizational culture and structure should be conducive so as to encourage strategic thinking by employees throughout the organization.

The study also concluded that management teams should strengthen the process of strategic thinking for it to be truly effective and that the process of strategy making cannot rely on a rigid set of pre-determined routines, but rather must be dynamic, opportunistic, flexible and adaptive. For this to occur, it must blend deliberative strategic planning with emergent, intuitive, strategic thinking.

## **5.3 Recommendations**

From the findings of this study, the following recommendations were made: Top corporate executives should ensure that there is inclusion of all stakeholders and especially employees in the planning process as this greatly encourages psychological attachment, improves job satisfaction and lower anxiety about job security.

In order to survive in a dynamic business environment, an organization must, through strategic thinking by top executives, formulate and implement a strategy that ensures organizational sustainability and growth which is responsive to environmental change. Change will definitely bring structural adjustments and influence social dimensions within the organization and therefore impact on the culture of the organization.

In today's competitive markets, responsiveness to customer or supplier demand and a host of other stakeholders notably manufacturers, financial lending institutions and governments is often a decisive factor in the success of an organization. The study therefore recommends that organizations should therefore, through strategic thinking of their top executives, enable create networks with other agencies or organizations because these organizations provide useful resources that will strengthen the organization through mobilization of resources towards the achievement of various organizational objectives.

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