THE CONNECTION BETWEEN STRATEGY AND STRUCTURE

Stanley Kavale
Phd student,
Jomo Kenyatta University of Agriculture and Technology,
Mombasa CBD Campus. Mombasa, Kenya.
Po Box 1135-80100, Mombasa, Kenya.
Mail; stanok8@gmail.com
+254 0725-735069

Abstract
This is a study on structure, strategy, their connection and relationship. The objective was to identify the connection between structure and strategy, their relationship and their consequent influence on organizational performance. Five different cases have been identified which support Chanler's (1962) proposition that ''Structure Follows Strategy''. These cases are; a real life situation, Chandler's case study, Safaricom case, Bharti Airtel case and the Kenya commercial bank case. With a good match and connection between structure and strategy, the result is high performance. A mismatch leads to under performance. This paper concludes that structure and strategy are closely related. Structure follows strategy; each is married to the other. This paper recommends that, top management should be ultimately involved from the beginning of strategy crafting and formulation, implementation and aligning it with the structure that follows the strategy.
Key words: *strategy, structure, connection, performance*

1. Introduction

1.1 Background of the Study

Strategic management is a field that deals with the major intended and emergent initiatives taken by general managers on behalf of owners, involving utilization of resources, to enhance the performance of firms in their external environments (Pearce and Robbins, 1994). It entails specifying the organization's mission, vision and objectives, developing policies and plans, often in terms of projects and programs, which are designed to achieve these objectives, and then allocating resources to implement the policies and plans, projects and programs. Strategic management provides overall direction to the enterprise. In the field of business administration it is useful to talk about strategic alignment between the organization and its environment or strategic consistency. According to strategists, there is strategic consistency when the actions of an organization are consistent with the expectations of management, and these in turn are with the market and the context (Nag. et al 2007).
De Wit and Meyer (2008), argues that Strategy formulation and Strategy evaluation; on Suitability (would it work?), Feasibility (can it be made to work?), and acceptability (will they work it?) are very important. Strategy formulation and evaluation are followed by strategy implementation and follow up. However, Chandler (1962) saw strategy as given. He recognized the importance of coordinating the various aspects

of management under one all-encompassing strategy. Prior to this time the various functions of management were separate with little overall coordination or strategy. Interactions between functions or between departments were typically handled by a boundary position, that is, there were one or two managers that relayed information back and forth between two departments. Chandler also stressed the importance of taking a long term perspective when looking to the future. In his 1962 groundbreaking work *Strategy and Structure*, Chandler showed that a long-term coordinated strategy was necessary to give a company structure, direction, and focus. He says it concisely; structure follows strategy (Chandler, 1962).

1.1.2 Objectives of study

The major objective of this study is to identify the connection between structure and strategy, and their relationship. Secondly, it intends to determine between structure and strategy which comes first.

1.2 Structure and Strategy Defined

Strategy is the direction and scope of an organization over the long-term which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations (Johnson et al. 2008). Strategy refers to the determination of long-term goals and objectives, the adoption of courses of action and associated allocation of resources required to achieve goals. Strategy is concerned with long-term direction of an organization and strategic decisions are mainly concerned with the scope of an organization's activities. it is the direction and scope of an organization over the long-term which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stake holder's expectations.

Mintzberg (1987), says Structure is a fundamental, tangible or intangible notion referring to the recognition, observation, nature, and permanence of patterns and relationships of entities. This notion may itself be an object, such as a built structure, or an attribute, such as the structure of society. Structure, whether formally or informally defined, has two aspects. It includes, first, the lines of authority and communication between different administrative offices and officers and second, the information and data that flows through the lines if communication and authority. (Chandler 1962). It is at once formal distribution of roles and the administrative mechanisms which facilitate the control and integration of the different activities performed. Consequently structure is more than just a planned network; it is also what happens in the network, or the process that takes place within and between the constituent parts (Johnson et al. 2008).

1.2.1 Fit Between Structure and Strategy

The strategy of a firm must align itself to the remote and operating environment. Simply put, environmental forces are so powerful for a single firm, even a constellation of firms, to influence. Therefore astute firms must adapt and adopt to the environmental change, dynamism and turbulence. Environmental forces constitute a big driver to change in organizations. Once strategy has been directed by the environmental forces, then strategists identify a structure to match with the strategy. This is referred to as the 'strategic alignment'- aligning the strategy and the structure to the environment. This is followed closely to the matching of the strategy and structure to the capability of the firm, an exercise called 'matching'. Alignment and matching are very key processes that firms must consider when embracing strategic management. It is this fit between strategy, structure, the environment and the firm capability that must be cultivated to break the ice. This is strategic fit (Johnson et al, 2008).

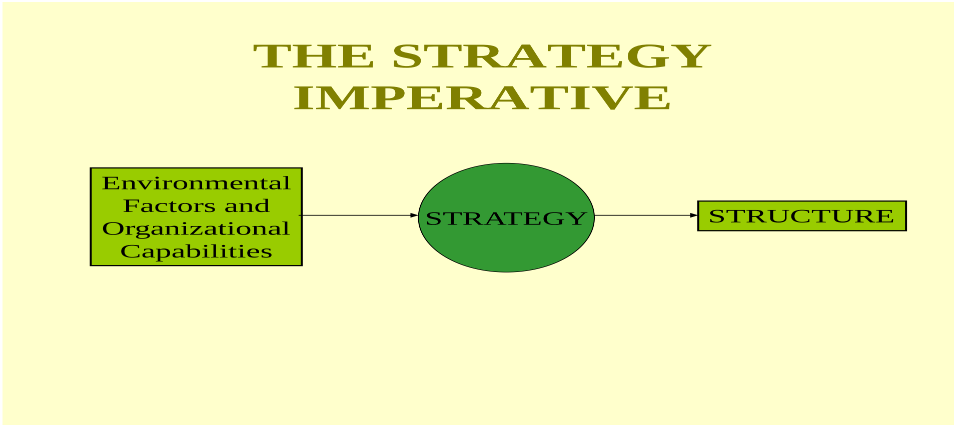

Fig I: Strategy Structure Fit (Johnson et al., 2008)

1.3 Structure, Strategy and the Organization

Structure is the design of the organization through which strategy is administered. Changes in an organization's strategy can lead to new administrative problems which will require a new structure for the successful implementation of the new strategy. The structural design describes roles, responsibilities and lines of reporting in organizations and can deeply influence the sources of organization's advantage. Thus, failure to adjust structures appropriately can totally undermine implementation.
Chandler (1962) showed how firms developed over time by identifying four sequential stages:

1. acquisition of resources such as employees and raw materials and the buildup of marketing and distribution channels;
2. establishment of functional structures to increase efficiency;
3. adoption of growth and diversification strategy: diversification into new markets and products to overcome limits of home market;
4. the creation of the then revolutionary diversionalised form to manage large conglomerates.

It is important to note that Chandler believed that strategy is given and therefore, even before coming up with a structure, there is a strategy at the back of the mind. That is exactly why, after coming up with functional structures, then strategists adopt the already given -existing- strategy (Mintzberg, 1987).

1.4 Structure Follows Strategy

For too long, structure has been viewed as something separate from strategy. Revising structures are often seen as ways to improve efficiency, promote teamwork, create synergy or reduce cost. Yes, restructuring can do all that and more. What has been less obvious is that structure and strategy are dependent on each other. You can create the most efficient, effective, team oriented, synergistic structure possible and still end up in the same place you are or even worse (Johnson et al. 2008).

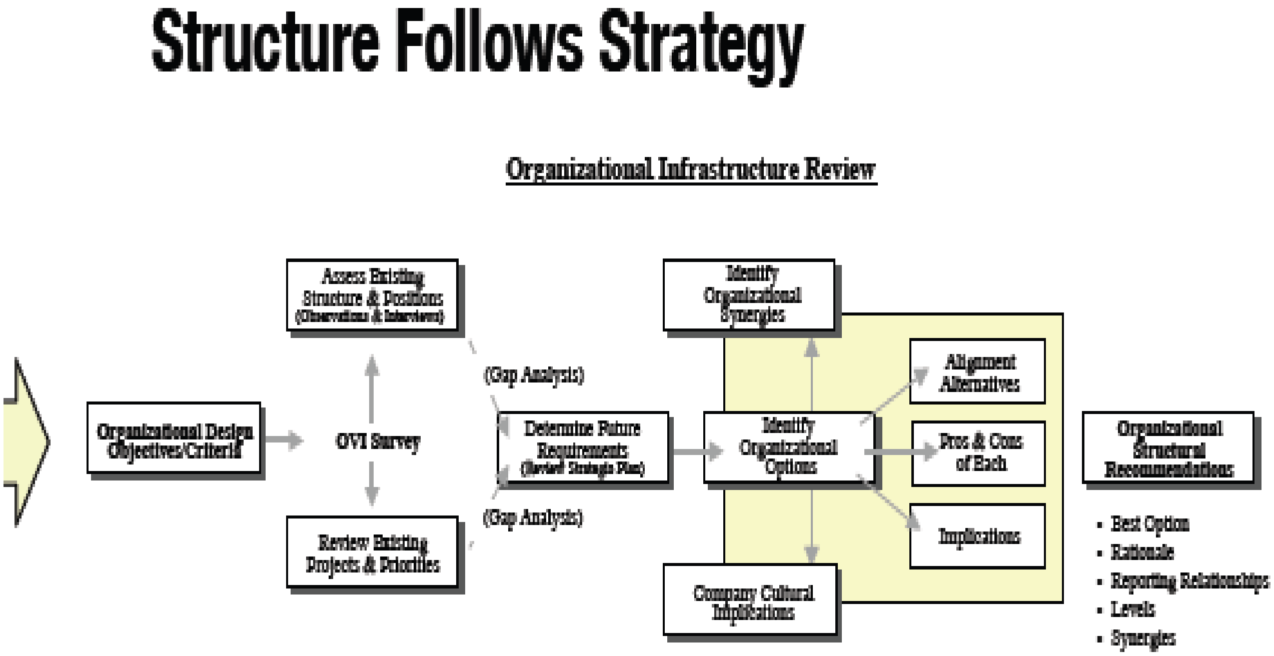

Fig II: Structure Follows Strategy (Elcock, 1996)

1.5 The Connection Between Strategy and Structure

Structure is not simply an organization chart. Structure is all the people, positions, procedures, processes, culture, technology and related elements that comprise the organization. It defines how all the pieces, parts and processes work together (or don't in some cases). This structure must be totally integrated with strategy for the organization to achieve its mission and goals. Structure supports strategy. If an organization changes its strategy, it must change its structure to support the new strategy. When it doesn't, the structure acts like a bungee cord and pulls the organization back to its old strategy. What the organization does defines the strategy. Changing strategy means changing what everyone in the organization does (Ansoff, 1965).

Chandler's (1962) statement 'Structure follows strategy' implies that every organizational structure is mainly developed based on the strategy of the organization and therefore successful implementation of an organization's strategy will depend on the firm's primary organizational structure. This is so because the firms key activities and the way in which they will be coordinated to achieve the firm's strategic purpose depends on the structure of the organization. The primary structure of an organization is one of the basic means through which strategists position the firm so as to execute the strategy in a manner that balances internal efficiency and effectiveness (Grant, 1998).

Since structure follows strategy, the choice of an organization structure largely depends on the strategy of the firm. The structural design ties together key activities and resources of the firm and it must therefore be closely aligned with the demands of the firm's strategy. This is so because organizations change their growth strategy in response to environmental changes but the new a strategy normally creates administrative problems that result in a decline in performance. The problems arise because the existing structure is ineffective in organizing and co-coordinating the activities required by the new strategy. To resolve the problems and improve performance, the structures are thus re-designed according to the demands of the strategy. This implies that a failure to re-design structure would eventually cause a decline in performance (Ansoff, 1965).

For instance, based on a primary organization structure, the development of new product features may require more collaborative working between separate departments and with suppliers and distributors. This change in behavior might be supported by a reduction in departmentally based targets and the creation of a cross-departmental development budget and thus a re-design in the structure. Similarly, based on the same primary organizational structure of a firm and the need to develop a new strategy, it can lead to the adoption of a new structure (Blaxill and Eckardt, 2009).

Take an example of a firm that begins as a simple functional unit operating at a single site such as a shoe warehouse and within a single industry. The initial growth strategy of the firm is volume expansion which creates a need for an administrative office that will manage the increased volume. The growth strategy becomes geographic expansion which will require multiple field units, still performing the same function but in different locations. Administrative problems with regard to standardization, specialization and inter-unit coordination will lead to geographic units and for a central administrative unit to oversee these problems. If the firm carries on with the product diversification strategy, then a change in the structure of the firm has to be done and adopt the multidivisional structure in which similar activities will be grouped and separate divisions will handle independent products and will be responsible for short-run operating decisions. It can be clearly seen that a firm will adopt a structure depending on the type of strategy it wishes to accomplish (Mulcaster, 2009).

Tichy (1983), described corporate strategy as the determination of long-term goals and objectives, the adoption of courses of action and associated allocation of resources required to achieve goals; he defined structure as the design of the organization through which strategy is administered. Changes in an organization's strategy led to new administrative problems which, in turn, required a new or refashioned structure for the successful implementation of the new strategy.

The sum total of how an organization goes about its work is its strategy. Structure and strategy are married to each other. When a company makes major changes, it must carefully think out every aspect of the structure required to support the strategy. That is the only way to implement lasting improvements. Every part of an organization, and every person working for that organization needs to be focused on supporting the vision and direction. How everything is done and everything operates needs to be integrated so all the effort and resources support the strategy.

It takes the right structure for a strategy to succeed. Management that is solely focused on results can have a tendency to direct everyone on what they need to do without paying attention to the current way the organization works. While people may carry out these actions, it is only when their daily way of working supports strategy that the organization’s direction is sustainable over time (Davis and Devinney, 1997).

Chandler (1962) argues that structures follows strategy in organizations. Strategy is the determination of long-term goals and objectives, courses of action and allocation of resources, and structure is the way the organization is put together to administer the strategy, with all the hierarchies and lines of authority that the strategy implies (Collins, 2007).

2. Cases Supporting Structure Follows Strategy Model

This paper provides five cases supporting the structure follows strategy model. These are a real life situation, Chandlers (1962) case study, Safaricom case, Bharti Airtel case and the Kenya commercial bank case.

2.1 Case one. A Science Fiction and Real World Example

Let's look at an imaginary example using the human body. Suppose science figured out how to create a living tissue arm to replace one's existing arm that could perform 300% better in strength, responsiveness and dexterity. The strategy here is to restructure the body with this super arm so it can do more. The scientists successfully replace an existing arm with this new super arm.

What will happen? The rest of the body remains as it was before. So the heart, circulation system, nervous system and brain are still structured to support a regular arm. This new arm requires more and faster blood flow, faster neuron responses in the brain and so on to support its functions. Over time, the super arm will evolve back into a regular arm because the rest of the body cannot support its enhanced capabilities. For this science fiction example to work, scientist would need to restructure the entire human body, not just one part of it (Moncrieff, 2001).

2.2 Case Two: Alfred Chandlers Case Studies

Chandler (1962) substantiated his 'Structure follows Strategy' thesis based on four case studies of American conglomerates that dominated their industry from the 1920's onward. He described how the chemical company Du Pont, the automobile manufacturer General Motors, the energy companies Standard Oil of New Jersey and the retailer Sears Roebuck developed over time. Changes in an organization's strategy led to new administrative problems which, in turn, required a new or refashioned structure for the successful implementation of the new strategy. Chandler's thesis argued that new organizational forms are no more than a derivative of strategy as he defined it. The subsequent changes in structure in the four cases were as a result of the more powerful strategy over the inferior structure (Elcock, 1996).

2.3 Case Three: Safaricom Ltd

When a Kenyan mobile telecoms operator Safaricom had asked 13 senior executives to apply afresh for the firm's top jobs, the CEO, Bob Collymore said "The purpose of this re-design is not to downsize or retrench staff but to have in place a structure that will support the delivery of our business strategy in a rapidly changing and increasingly competitive business environment," (Business Daily, 2011).

Mr Collymore cut down the number of C-level (or managers whose titles begin with the word "chief") positions that are direct reports to the CEO from 13 to nine. He also did away with the title "chief" for senior managers, turning them into directors. Mr Collymore took over the leadership mantle in the second half of year 2010, as Safaricom's rivals stepped up the war for market share with deep tariff cuts and the regulatory landscape shifted rapidly putting the firm's profits under threat.

Safaricom's market share dropped to 75.9 per cent in October 2010 from 80.7 per cent in June 2010. Airtel, which was, it still is, Safaricom's main rival, grew its market share to 13.5 per cent from 9.1 per cent during the same period. Therefore Mr. Collymore had to come up with a major strategy that would maintain Safaricom as the dominant firm in the industry. He aimed for a lean executive team with fewer reporting layers that can support the company's growth in an increasingly competitive market. The strategy was to turn Safaricom from an innovative company to a customer led organization that will be able to offer the best customer service in a bid to maintain its market share (www.safaricom.co.ke 2010)

Under Safaricom's new management structure, procurement, finance and investor relations have been merged into one position as has been IT and technical officer's roles. Marketing, commercial and customer care have also been merged into a single position while the legal and communication functions will now fall one the care of one director. Mr Collymore has also created new divisions such as enterprise business, consumer business and financial services — that will run as profit centers, a pointer to the fact that Safaricom is looking beyond the competitive voice market for growth. Under this structure, the popular money transfer service M-pesa falls under the financial services department. At Safaricom, it quite evident that structure follows strategy! (www.safaricom.co.ke, 2010).

2.4 Case Four: Bharti Airtel

Bharti Airtel announced Strategic Organization changes for future growth in January 2010 with the objective to enhance its focus on expanding operations to international markets beyond India and South Asia and further consolidate its leadership position in India. The company announced the creation of a new, empowered and dedicated International Business Group that will be responsible for expanding the company's operations beyond India and South Asia region. Manoj Kohli, who was the CEO (India and South Asia) & Joint MD of the company, was to head the International Business Group as CEO (International) & Joint MD and was to continue to be a member of the Bharti Airtel Board. The International Business Group was to comprise a team of seasoned and experienced professionals, including from within the Bharti group, from areas such as Business Development, Networks & IT, SCM, Project and Performance Excellence, Brand and Customer Experience (www.airtel.com, 2010).

Sanjay Kapoor, who was the Deputy CEO of the company, was elevated to the position of CEO (India and South Asia), Bharti Airtel. Sanjay would have end-to-end responsibility of leading India and South Asia businesses of Bharti Airtel and was to drive growth and business synergies in Mobile Services, Telemedia Services, Enterprise Services and DTH. He was to lead Bharti Airtel towards strengthening its position as a benchmark in innovative practices, brand leadership, operational efficiency, and customer value and leadership depth.

Mr. Sunil Bharti Mittal, Chairman & Managing Director, Bharti Airtel said, "The next phase of our journey is set to be another game changer – requiring superior thrust and focused leadership. We continue to win in the Indian telecom market, which is going through a phase of hyper competition. At the same time, we will be developing comprehensive plans for our journey to cover emerging markets beyond India and the South Asia." (www. Airtel.com, 2010).

Both Manoj and Sanjay were to report to Sunil Bharti Mittal, Chairman & Managing Director, Bharti Airtel. The new organization structure was effective from 01 April 2010, to support their new strategy (www.airtel.com, 2010).

2.5 Case Five: Kenya Commercial Bank

Kenya Commercial Bank (KCB), formerly a state owned bank, had been crippling with NPLs and unprofitability for many years despite its huge asset base, customer base and political connection. As a result, a task force was constituted in 1992 to craft a winning strategy in a highly competitive, unstable and unpredictable banking industry. The task force recommended a customer focused expansion strategy. To get funds for expansion, recommendation was that of flouting its shares in the bourse. Immediately, a new management team was appointed headed by Mr. Martin O. Otieno as the CEO to incubate their dream. Several changes were done in their organizational structure to support that strategy which saw KCB move up to be profitable and prepare the ground for floating in the bourse. This came to pass, successfully, and the firm continued on its customer focused expansion strategy (www.kcbbankgroup.com).

In 2010, KCB consulted with MCknsey, (a British giant consulting firm) to craft a winning strategy for the emerging customer base and the continuing expansion path. This was their second turning point. The Bank announced organization new structure effective 17th May 2011 with the aim of reducing and managing costs. Key changes in the new structure were as follows:

The positions of the two Deputy CEOs, the Director Public Affairs and Communication and the Divisional Director, Special Projects were eliminated. A new positions of Chief Business Officer, International and Chief Business Officer, Kenya, was created. The former will look after businesses outside Kenya; whereas the latter will oversee the Retail, Corporate Banking, Marketing and Communications, and Mortgages business within Kenya. A Chief Operating Officer's position has been established and this will look after the following functions: Information Technology, Operations and Customer Service, Credit, and Logistics (including Procurement, Facilities, Transport and Security). The following functions will continue to report to the CEO: Audit, Risk, Human Resources and Company Secretary (the latter role to include Legal, Investor Relations and the KCB Foundation (www.kcbbankgroup.com).

A new position of Chief Finance Officer has been created to oversee Financial Planning and Control, Treasury, Strategy, Innovations and New Business Opportunities. Further, the Executive Committee has been reduced from 22 to 7 members and will have new executive powers and a new mandate under the Chief Executive Officer. Today, the 8th September 2011, as I write this paper, MCknsey is still on site. Structure is still being redrawn to fit the indented strategy. Simply put, KCB came up with a structure to support their new strategy (www.kcbbankgroup.com).

3. Matching Organizational Structures with Strategies

Firms will in - most times - adopt a certain type of structure depending on the strategies of the organization. Based on this, scholars have identified various types of general strategies which will help in achieving their firms' visions. Further, there are general structures based on the different available strategies as discussed below.

3.1 General Grand Strategies

Porter (1980) came up with the generic strategies of product differentiation, cost leadership and focus. In his ground breaking competitive advantage book, he showed that firms which are looking for leverage should stick with one of the three. Firms which applied a combination, according to him, were stuck in the middle and lost efficiency and effectiveness thus lost competitive advantage. Several grand strategies have been postulated and show a multiplicity of ready to use strategies to gain competitive advantage. Fig III. below shows the combinations based on market growth and competitive position.

Fig IV: General Grand Strategies (Kim & Mauborgne 2005)

3.2 General Organizational Structures

3.2.1 Functional Organizational Structure. This is based on the primary activities that have to be undertaken by an organization such as production, finance and accounting, marketing, human resources and research development. Such a structure divides responsibilities according to the organizations primary roles. Functional structures are found in firms with a single or narrow product focus and such firms require well-defined skills and area of specialization to acquire competitive advantages in providing products and services. The strategic challenge is thus effective co-ordination of the functional units (Mintzberg, 1987).

3.2.2 Geographic Organization Structure is mainly adopted by firms undertaking a geographic expansion strategy. It involves the growth of companies by expanding sale of their products and services to new geographic areas. *A Divisional Organizational Structure/Multi-Divisions* is adopted by firms undertaking a product diversification strategy or utilizes unrelated market channels or begins to serve heterogeneous customer groups. In this case, a functional structure becomes inadequate and a divisional structure is used. The new structure is necessary to meet the increased co-ordination and decision making requirements that result from increased diversity and size. This allows decision-making in response to varied competitive environments and enables corporate management to concentrate on corporate-level strategic decisions (Pullan, 2000).

3.2.3 Strategic Business Units Organizational Structure is an additional layer of management due to the need to improve strategy implementation, to promote synergy and to gain greater control over the firm's diverse business units. The adoption of this type of structure by management is as a result of firms encountering difficulty in evaluating and controlling the operations of their divisions as the diversity, size and number of these units continues to increase. Therefore the change in organization strategy triggers the need to adopt a new structure for effective implementation of the strategy. The strategic business unit structure provides a way for the largest companies to regain focus in different parts of their business that was central to earlier success but was last in the complexity and size that success brought the company (Collins, 2007).

3.2.4 Matrix Organizational Structure is a combination of structures which could take the form of product and geographical divisions or functional and divisional structures operating together. Such structures are used in large companies where there is increased diversity that leads to numerous products and project efforts of major strategic significance. The matrix structure will allow effective knowledge management since separate areas of skills and resources will be integrated across organizational boundaries. This structure provides dual channels of authority, performance responsibility, evaluation and control. Subordinates are assigned both to a basic functional area and a project or product manager. Thus, the matrix structure simplifies and amplifies the focus of resources on a narrow but strategically important product, project or market (Jarillo, 1993).

3.2.5 Virtual organizational structure connects different departments through the net. This is a situation where departments are located in different geographical locations but are networked and operate as though they are in the same building. It brings in advantages because departments can be located where it is most appropriate (Collins, 2007).

From the analysis of the various types of organizational structures, it is clear that a structure is developed depending on the strategy that the organization intends to implement. Firms change their growth strategy in response to environmental changes and thus for effective administration, the firm must in turn develop a new structure for effective implementation of the new strategy. Thus, structure is the conceptual and functional framework of an organization as well as the configuration of its resources.

3.3 Structure Determines Strategy

Although Chandler (1962) was primarily concerned with the relationship between strategy and structure once strategy had been formulated, he nevertheless writes; 'The multidivisional structure at General Motors did not come as a response to administrative needs resulting from a strategy of diversifications. Rather, its innovators saw it as a new way of administering combination or federation of enterprises.'

Indeed, one might see structure that often precedes strategy. Strategists accept this when they take structural phenomena explicitly into account in their internal diagnosis. With the inside/out approach they admit that strategic choices are directly determined by the condition of the structure and with the outside/in approach that they are influenced by the structural elements of the diagnosis. When an organization changes its structure and not its strategy, the strategy will change to fit the structure. Strategy follows structure. Suddenly management realizes the organization's strategy has shifted in an undesirable way. It appears to have it done on its own. In reality, an organization's structure is a powerful force. You can't direct it to do something for any length of time unless the strategy is capable of supporting that. This way, probably, is a case where strategy follows structure (Elcock, 1996).

3.4 The Influence of Structure on Strategic Decisions

The interrelationship between structure and strategy is interesting to note. On one side, structure comes after strategy, the common case. On the other hand, structure comes before strategy, the rare case. This indicates that there is a mutual relationship between structure and strategy. One is married to the other. Whatever comes first, one influences the other. Though the five cases above support the common case, there is evidence that structure has influence on strategy. A good structure must support the firm's strategy and therefore it influences, to some extend the strategy deployed (Pullan, 2000).

3.5 The Role of Top Management in Strategy Structure Connection

Observations indicate that the concern of top management is fundamental to the survival of strategies and structures in strategic planning. This concern can show itself in several ways. First, top management publicly declares the importance it attaches to the process of strategic planning, and its determination to guide and control the future of the organization. Second, it specifies the objectives, mission, strategies, and vision of the organization and then sticks to them, other things being equal. Third, it is realistic and does not vaunt the merits of planning beyond what can be accomplished; for it is indeed dangerous to generate expectations which have little chance of being satisfied, especially if the strategies do not match the structures (Johnson et al, 2008).

In addition, the willing collaboration of organization members is needed. Keeping them in the dark deprives the organization of contributions which they could make. But once a genuine communication policy is established, and then the continued existence of strategic planning depends upon the reaction of top management to suggestions for change, and the wish for greater involvement by organization members. It is therefore sometimes necessary to have the courage to realize that the organization- or even top management itself- is not ready for the process of strategic planning- a case where strategies would fail. All this implies a high degree of realism and self- knowledge on the part of top management. Care is needed not to let structural features of the organization get in the way of the development and planning. In other words, the organizational structure in many times has to be modified before strategic planning can be introduced-a key job of the top management team (Nag et al, 2007).

4. Conclusions

This paper researched on structure, strategy and their connection and relationship. Based on the findings, the following conclusions were arrived at;

1. In setting the strategies, a firm is required to change its structure so that it can better implement the strategies. Structure follows strategy. Each is married to the other. The development of organizational structure is primarily based on the firm's strategy. Thus, a restructuring effort is as a result of a change in strategy and a company must review its strategy, and then pursue a different structure.
2. The idea of a match between strategy and structure is nearer to the intention of Chandler (1962) and his followers. This match and the efficiency which results show the close connection between structure and strategy. They are closely related.
3. A mismatch between strategy and structure will lead to inefficiency in all cases, that is to say a less than optimal input/output ratio. Thus, strategists must pay close attention to structure when elaborating strategic plans; not to take structure into account is to condemn the firm to inefficiency and to fall into the error of believing that it will follow.
4. In choosing a structure strategy match, professional management is essential to increase the chances of success. Top Management must thus devote constant attention to develop a corresponding structures aligned to organizational strategy. Top management commitment breaks the ice and paves the way for change in organizations.
5. Structure and strategy are shaped by environmental forces. Re-structuring and re-strategizing comes, in most times, as a response to environmental turbulence. Structures and strategies in turn have an influence on the operating environment.

5. Recommendations

Based on the findings, this paper recommends that, due to the importance every organization attaches to a structure strategy connection;

5.1 Top management must ultimately be involved in monitoring the organizational structure from the beginning of strategy crafting through to implementation and aligning it with the remote environment.

5.2 When strategy comes first, the subsequent structure must be aligned to the strategy. The structure must support the strategy for competitiveness to be realized.

5.3 Top management must therefore be on the lookout and make sure there is a close fit between strategy and structure, and the environment.

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