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EFFECT OF ORGANIZATIONAL CULTURE ON PERFORMANCE OF MANUFACTURING INDUSTRIES IN NAIROBI COUNTY, KENYA

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ABSTRACT

This study examined organizational culture on performance of manufacturing industries in Nairobi County. A descriptive research design was employed, targeting a sample drawn from manufacturing companies registered under the Kenya Association of Manufacturers (KAM). Data were collected through structured questionnaires administered to managers who are directly linked to change management from selected firms in Nairobi County. The quantitative data collected were analyzed using the Statistical Package for Social Sciences (SPSS). Descriptive statistics were used to summarize demographic characteristics and key study variables, while inferential statistical techniques, including the Pearson correlation and the multiple linear regression, were used to establish the strength and significance of the relationship between organization culture and performance. The findings revealed that organizational culture had a statistically significant influence on the organizational performance. The study concluded that effective organizational culture significantly contributes to improved organizational performance in the manufacturing sector. It recommended that manufacturing firms should continuously invest in inclusive culture to facilitate successful change initiatives.

Key Words: *Adaptability, Organizational Values, Collaboration*

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INTRODUCTION

The strategic change process is an extremely critical process, and this is because it helps organizations to align themselves with the changes that keep occurring in both their internal and external environments. The organizations will need to change their strategies, structure, processes, and culture in order to adapt to the environmental changes, that have either been internally or externally influenced by changes (Kotter, 2021), therefore, making it essential for the organization to consider factors leadership styles that they will need to use, the communication channels and strategies that they must apply for effective communication, change the organization's culture of their organization to enable them easily and quickly adapt to the required changes as well as consider to actively involve their employees in the change implementation processes for the strategic changes being implemented to be successful.

The change process can be a very challenging process, according to Al-Haddad and Kotnour (2020) "Organizations today keep facing major, discontinuous changes that makes strategic management more difficult and more complex than ever. To succeed in this environment, companies need to look at the technical, political, and cultural systems that are operating within their organizations. Change can be very hard for people to adapt to quickly, and this is majorly because people have feelings, and they will always have different perceptions of things and situations making it hard for people to change from what they are used to and make them adapt to something new it. It is quite normal for people to be resistant to change, especially when they can't quite easily see what the end results are, therefore it takes a lot of effort and resources to ensure that change is achieved it (P. Kihara, personal communication, October 10, 2024). However, this resistance can be minimized through transparent and clear communication from the organization's managers and leaders, through involving the employees in the decision-making process, by cultivating a supportive culture in the organization's culture and by also ensuring that the leadership style being adopted or used in the organization will be a style that encourages participation of all the key organization stakeholders and this will help in building trust and reduce resistance to change.

Organizations have often encountered many challenges when adopting to change these challenges may include, having the fear of the unknown, financial constraints, low employee morale, having a change resistance culture in the organization, poor training quality and even time constraints hence making emphasis on the importance of having proper strategies in place so to help the organization in identify any potential obstacles early in the process and address them effectively so as to ensure the change process is smoother and successful. Hechanova and Cementina-Olpoc (2022) In their Journal, emphasized on the importance of organizations knowing their strengths and weaknesses, this is because this will help the organizations properly plan for the change before they start the process. This insight shows how important it is for organizations to assess their internal and external environments well, when they are considering implementing new strategies or when evaluating the effectiveness of the ongoing implementations of the new strategies in the organization.

Performance measures are important in every organization, whether it is a Public or private organizations, a profit making or non-profit making organizations, measuring an organization's performance is key. All organizations must have ways that they use to measure their performance. Micheli and Mura (2020) stated that there are many ways that organizations can use in measuring their performance. For example, organizations will measure their performance through customer satisfaction, profits attained or through efficiency in their daily operations. For organizations to achieve impressive performance they need to have strategies in place that will help them adapt to the changes that are likely to arise from the

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organization's environment. These strategies, if well implemented, will help the organization maintain sustainability and growth as well as have an impressive performance compared to its competitors.

At the local level, particularly in Nairobi County's manufacturing industries, empirical studies show that participative and other employee centered leadership styles significantly explain improvements in the industry level performance. Factors such as productivity, lead-time, quality, and profitability when combined with a well-structured employee involvement, focused communication, and culture change (Ochieng, Koshal, & Bellows, 2023; Okumu, 2025).

For Nairobi manufacturing specifically, participative leadership that consults shop-floor staff and involves them in the problem-solving leads to higher operational efficiency and reduced resistance during process changes. When leaders lead well and give frequent, transparent communication and targeted training, employees understand the whys and how's behind the change and contribute to measurable outcomes (Ochieng et al., 2023; Okumu, 2025).

Manufacturing industries are a very important part of the economic development of so many countries all over the world. These industries are involved in transforming raw materials into finished products through the inclusion and assistance of other factors of production like labor, machinery, tools, chemicals and or biological processing. Manufacturing industries range usually from small-scale operations to large-scale operations. Manufacturing industries contribute a lot in employment creation, technological innovation and creativity, and the export base of economies. (Kumar, 2020)

In today's world of manufacturing industries, the industry has so much evolved and has incorporated advanced technologies, which include automation, robotics, artificial intelligence (AI) and Internet of Things (IoT), which collectively define the Fourth Industrial Revolution or the industry 4.0. These innovations are slowly reshaping the production processes, increasing efficiency and bringing competitiveness among manufacturing firms globally according to (Kagermann, 2021) However the adoption of these technologies require a lot of investments, and this has continued to pose challenges that are related to workforce skills and the data management (OECD, 2021).

Organization performance is the ability of an organization to achieve its goals and objectives effectively and efficiently. Organization performance includes numerous factors that show the organization's success in various areas of the organization. These areas include the financial performance of the organization, employee engagement and satisfaction, customer satisfaction and the ability of the organization to retain them and the market share percentage (Kalpan, 2020).

Performance according to (Puni & Anlesinya, 2020). is multidimensional. This means that different disciplines define performance differently. Management performance is defined differently from the educational performance or even the airline's performance. Different organizations operations can define organizations' performance differently depending on the organization's specific goals, structure, and industry focus hence making organization performance different for every organization. Though in most cases they end up being the same for some organizations.

It is key for organizations to measure their performance; this is because performance measures will help the organization to know whether it is achieving its goals and objectives or not. Different organizations have different ways to measure performance. According to Micheli and Mura (2020) in their book they stated that managers should measure performance to achieve the following eight critical managerial purposes; to evaluate, budget, motivate, promote, celebrate, learn, and improve as part of their overall management. Unfortunately, as managers one

cannot use the same performance measure for all the eight purposes mentioned.

It is believed that high organizational performance is often linked to strategic management practices, innovation, and adaptability to change. In the context of strategic change management, performance is influenced by how well an organization aligns its change strategies to its structure, its processes, culture, the evolving market demands and the internal organization's transformations. (Obeidant, 2021) Understanding these dynamics is crucial for the organization to remain competitive and have long-term success and growth.

Statement of the Problem

The business environment has become very dynamic, and organizations all over the world continue to face constant pressure to adapt to the changes that keep arising from different factors like the market fluctuations, technological advancements, regulatory changes, and the never-ending evolving customer demands (Burnes, 2020). Strategic change management has become a very critical part in determining the organization's performance, shaping the firm's ability to sustain growth, maintaining competitiveness and enhancing efficiency according to (Cameroon & Green, 2021)

Globally, statistics have shown that about 70% of the organizational change strategies implemented fail to help the organizations achieve their intended goals this is according to (Kotter International, 2023). And this is due to factors like poor leadership styles, less employee involvement, poor communication strategies and by organizations having unsupportive organizational culture. Some organizations however have been using some of this strategic change management to manage innovation, streamline their operations and respond to their external environments like the digital transformation (Anderson, 2023). Multinational corporations (MNCs) like Toyota, one of the leading cars manufactures globally have successfully implemented a change management framework that have worked and some of these strategies included stakeholder engagement and leadership involvement (Prosci, 2022).

In Africa, where there are so many developing countries, the impact of strategic change management on organizational performance is increasingly being recognized (Nkomo, 2022). African businesses have continued to operate in unique environments that have been characterized by political instability, economical fluctuations and infrastructural challenges according to (Akanji, 2021) Despite all these challenges, businesses and organizations that have embraced strategic change management have continued to show resilience and sustainable growth (Murithi, 2023). According to (Okpara, 2022) firms like the banking sector examples of the Standard bank and the Eco bank have successfully navigated the financial sector reforms by adopting strong change management strategies. However, there is still about 60% of African businesses that continue to struggle with change implementation due to factors like resistance to change, inadequate leadership commitment and change management experts, which blocks them from achieving an improved performance. (Boonzaaier, 2020)

In Kenya strategic change management is becoming a very important part of most organizations' success. Strategic change management is key in almost all sectors including the finance, healthcare, education and manufacturing sectors (Mutisya, 2022). According to the Kenya National Bureau of Statistics (KNBS, 2023), the manufacturing sector contributes up to approximately 7.6% of the Kenya's GDP and this shows a decline in performance compared to the 10.3 % GDP that was achieved in the year 2010. With the countries evolving regulatory framework, technology and competition from other competitors in the same industry, Kenyan organizations, like the banking sector has gone through a lot of transformations like the mobile online banking (Ndungu, 2022). Companies like Safaricom and The Equity Bank have

successfully navigated these changes by incorporating the strategic change management approaches that have helped them adapt to digital transformations, promote innovation making them better understand their customers preferences according to (Mwangi, 2023). However, there are still so many Kenyan organizations that face challenges in strategic change management especially the small and medium- sized enterprises (SMEs) due to factors like resources constrains, cultural resistance and lack of effective communication methods (Kariuki, 2021).

In the face of the rising emphasis on strategic change management, many manufacturing companies in Nairobi County continue to have performance related challenges like reduced productivity, low employee morale and customer dissatisfaction. While some of this organizations have already adopted to the required strategic change management factors such as leadership styles, improving communications and organizational cultural transformation, there are limited empirical evidence on how these elements of strategic change management influence the organizational performance in the manufacturing companies' sector in Nairobi County.

Therefore, this study bridged the knowledge gap by examining the effect of organizational culture in improving organizational performance, within the manufacturing industries in Nairobi County.

Objective of the Study

The study examined the effect of organizational culture on organizational performance of manufacturing industries in Nairobi County.

Research Hypothesis

H_0 Organizational culture does not significantly influence the organizational performance of manufacturing industries in Nairobi County.

LITERATURE REVIEW

Theoretical review

Schein's Organizational Culture Theory

Schein's Organizational Culture Theory was developed by Edgar H. Schein in 1985, it provides one of the most comprehensive frameworks for understanding organizational culture. According to Schein, culture consists of three distinct levels the artifacts which is visible organizational structures and processes, the espoused values strategies, goals, and philosophies, and basic underlying assumptions deeply ingrained beliefs and perceptions. He argues that culture develops as organizations solve problems of external adaptation and internal integration, and these shared assumptions are passed on to new members as the accepted way of doing things (Schein, 1985).

The first level is the Artifacts level these are visible and tangible expressions of culture, such as office layout, rituals, symbols, and observed behaviors. Although they are easy to see, they may be somehow difficult to interpret without having a deeper understanding. Recent empirical research confirms that artifacts remain a measurable and prominent dimension of organizational culture in higher education and corporate environments according to (Atuhaire, Kato, & Mugizi, 2025).

The second level is the Espoused Values. These refer to the explicitly stated strategies, philosophies, and goals that guide behavior. They represent what organizations claim to value, such as teamwork or innovation, though they may not always align with actual practices. Evidence from a Ugandan public university shows that the espoused beliefs and values significantly influence the organizational effectiveness, demonstrating that they are not merely symbolic but have measurable effects on performance (Turyahikayo, Mugizi, & Kasule, 2024).

The third level is the Basic Underlying Assumptions. These form the deepest and most powerful level of culture, encompassing unconscious and taken for granted beliefs that shape how members perceive, think, and act. They are often invisible but exert a stronger influence than artifacts or values. Recent findings have indicated that basic underlying assumptions have a significant and slightly stronger effect on the organizational effectiveness compared

to espoused values, highlighting their foundational role according (Turyahikayo et al., 2024).

Schein (1985) argued that organizational culture develops as organizations address external adaptation this how they survive in their environment and internal integration this is how members work together. These shared assumptions are then passed on to new members as the "correct" way of doing things, reinforcing cultural continuity over time.

This theory is directly relevant to my study, which seeks to examine the effect of organizational culture on organizational performance. Schein's framework explains that organizational culture is not merely about visible practices but is rooted in underlying assumptions that strongly influence how employees think, behave, and make decisions. Recent studies confirm the applicability of Schein's levels of culture in diverse organizational contexts. For example, Atuhaire et al. (2024) validated Schein's three levels of culture in Ugandan universities, demonstrating their relevance in shaping behavior and performance outcomes.

Schein's model also highlights the importance of aligning culture with strategy, a factor that significantly impacts organizational performance. When values and assumptions are aligned with organizational goals, culture strengthens cohesion and drives performance. Willie (2024) found out that cultural change strategies in healthcare and technology organizations directly influenced performance outcomes, reflecting Schein's idea that culture must support strategic direction to be effective. This shows how organizational culture, as conceptualized in Schein's theory, underpins success in achieving organizational objectives.

Furthermore, Schein's emphasis on adaptability is especially critical in today's digital and dynamic business environment. Culture that supports learning, innovation, and flexibility and how it enables employees to adjust to rapid technological and market changes. Kuhuparuw (2025) established that organizational cultures fostering open communication and continuous learning enhanced employee adaptability in the digital era, thereby improving performance. This aligns with Schein's view that basic assumptions guide how organizations adapt to external pressures.

The theory also provides a foundation for understanding how culture ensures consistency and strengthens organizational identity. Shared assumptions act as informal controls that regulate employee behavior and decision-making, which in turn enhances efficiency and service quality. A study in Kenya revealed that cultural dimensions such as involvement, adaptability, and mission culture had a significant positive relationship with performance in the banking sector (Ajol, 2023). These findings illustrate how the dimensions outlined in Schein's framework contribute to improved organizational outcomes.

In this paper, organizational culture is examined as a key independent variable influencing performance. Schein's Organizational Culture Theory then provides the conceptual foundation for this variable by showing how artifacts, espoused values, and basic assumptions influence employee involvement, adaptability, and alignment with organizational goals, all of which ultimately affect the organizational performance.

Empirical Review

Organizational Culture

Organizational culture plays an important role in determining the success of strategic change management and ultimately the organization's performance. The organization's culture includes the organization's shared values, beliefs and norms that shape the employee's behavior within the organization. According to Schein and Schein (2021), culture forms the foundation in which the strategic changes are either accepted or resisted. Another study by Cameron and Quinn (2021) suggests that organizations with a flexible and adaptable culture are more likely to be successful while the ones with rigid cultures often encounter resistance and longer adjusting periods during the

change process.

A study that was done by the Kenyan Commercial State Corporations found out that there is a positive relationship between organizational culture and strategic implementation, confirming that an organizations culture is a key factor in determining the organizations performance. This according to (Kamaku et al., 2021).

It is important for organizations to understand the importance of aligning their culture to the proposed strategic changes, this significantly impacts the change success. Kotter (2021) found out that organizations that have strong adaptation cultures are more likely to experience a smoother change process as well as maintain a successful long-term performance.

Organizations performance of an organization is closely linked to the cultural adaptability. A study by Cameron and Quinn (2021) demonstrates that organizations that have a culture that promotes learning, continuous improvement, creativity outperform those that have bureaucratic cultures during the change process.

Organizational culture is a critical determinant of success in the strategic change management process. An organization culture that is adaptable, that allows participation of employees and aligns with its strategic makes it easy for change to take place, it enhances performance and reduces resistance. (Schein & Schein, 2021).

Organizational Performance

Organizational performance is an important aspect of business management because it gauges how effectively an organization archives its previously set goals and objectives Richard et al. (2021**)** Organizational performance is influenced by various factors, including strategic change management, leadership, innovation, and market dynamics.

Organizational performance has been widely studied in business management, with different scholars giving different definitions of what they perceive organization performance to be. (Venkatraman, 2020). for example, defined organizational performance as the extent to which an organization achieves its pre-determined objectives efficiently and effectively. Organization performance can be measured or assessed through financial and non-financial factors like profitability, business market share, customer satisfaction and employee engagement.

According to Kaplan and Norton (2021) organizational performance is multidimensional and will vary across industries and organizations. Most business if not all measure their performance through financial factors like profitability, while the non-organizations measure their performance through factors like achieved program goals. Though it is important to note that businesses that use financial indicators only to measure performance may not get the real measure, hence the importance of using both financial and non-financial indicators to give a holistic picture. The balanced scorecard framework provides a complete approach to performance measurement by considering factors like performance, customer perspective, internal business process and learning and growth. Strategic change management involves a lot of planning and implementing of major changes in an organization to improve the organization's competitiveness and operations efficiency. Organizations that go through strategic change more often experience significant transformation in their processes, market positioning, leadership and culture.

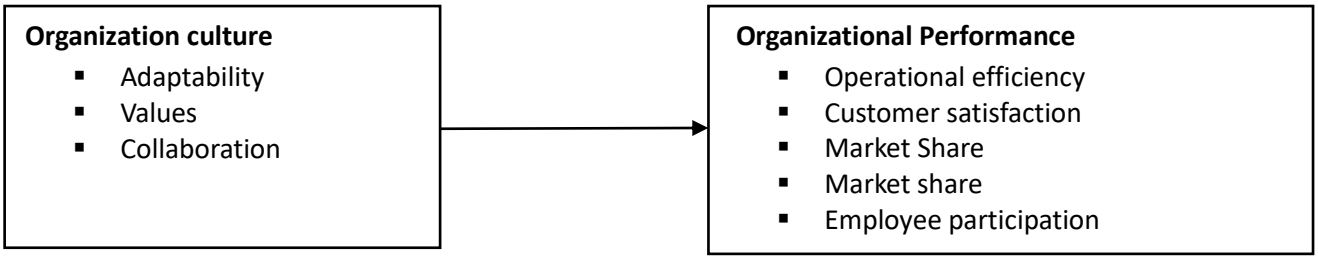
Research and studies have shown that effective strategic change management positively influences the organization's performance. When the organization chooses the right leadership styles, they encourage their employees to engage in the change process according to (Todnem, 2020). The right leadership style in an organization helps them to create an environment for new ideas to thrive. It is also important to ensure that there is continuous communication between the leaders and the employees of the organization regarding the desired strategic changes to be made and the goals the

organization aims to achieve so that everyone understands the targeted objective and their contribution toward it. (Hiatt, 2021).

However, the impact of strategic change management on organizational performance is dependent on its effective execution. Poorly managed strategic change can lead to employee resistance, employees reduced morale, and operational disruptions, ultimately affecting productivity and profitability of the organization. To reduce these risks, organizations must implement structured management frameworks such as Kotter's eight-step model or Lewin's change management theory (Burnes, 2021). These models emphasize the importance of leadership, communication, stakeholder engagement, organization culture and continuous evaluation.

Studies have continued to confirm that strategic change management significantly influences organizational performance. A study by Murithi and Wainaina (2022) found out that the strategic change initiatives at the NCBA Bank in Mombasa County was significantly correlated with the improvement of the Banks performance. Leadership styles, employee involvement, communication and organizational culture strategies play key roles in ensuring that successful change is implemented (Kuipers et al., 2020). Organizations that adopt transformational leadership, choose to actively involve their employees as well maintain a transparent and open communication tend to achieve their goals and better performance outcomes. Future research should explore industry specific applications and long-term effect of strategic change management.

Conceptual Framework



Independent Variable **Dependent Variable**

Figure 1: Conceptual Framework

Source: Author (2025)

METHODOLOGY

This study adopted descriptive research design. The target population was the Top-level management from selected organizations in Nairobi County that have undergone strategic change. The Manufacturing industry was selected for this study because the manufacturing industry plays a very important role in the Kenya's economic growth and helps in creating jobs. This study used the census sample approach, targeting all 60 top level managers from the 20 selected manufacturing companies in Nairobi County. This approach was best appropriate because strategic change management is usually driven by the Top-level Managers and their understanding of strategic change management is relevant to the objectives of this study. To determine the appropriate sample size, Slovin formular was applied.

The primary research instrument for this study was a structured questionnaire that was designed to collect data. The questionnaire was divided into sections that included demographic information, the strategic change management practices and the key organization performance indicators. The demographic information gathered information on respondents' roles, experience and organizational background, while the strategic change management section assessed practices such as leadership involvement, communication strategies, employee engagement and resistance

management. The performance indicators section focused on aspects such as operational efficiency, customer satisfaction, market share and employee participation.

The questions allowed a more detailed exploration of the challenges and best practices associated with strategic change initiatives hence getting the needed information from the questionnaires. (Creswell & Creswell, 2020). By using questionnaire data collection techniques, the structured questions ensured that the data collection approach used enhances the validity and reliability of the study. (Mugenda, 2003)

The collected data was analyzed using quantitative method to ensure comprehensive interpretation of data. In the quantitative data analysis, the data from the structured questionnaires was coded and entered the Statistical Package for the Social Sciences (SPSS) for analysis. Descriptive statistics such as mean, standard deviation will be used to summarize the demographic characteristics and key variables, while inferential statistical techniques including the Pearson correlation and multiple linear regression analysis will be used to examine the relationship between strategic change management and organizational performance. The Cronbach's alpha was used to test the reliability of the questionnaire, ensuring internal consistency. The results were presented in a structured manner using tables and percentages to represent data in a tabular way.

RESULTS

Responses Rate

The study targeted 60 managers in selected manufacturing firms in Nairobi County and since the population was small a census approach was used. Out of the targeted 60 respondents, only 52 finished answering the questionnaire and delivered them, resulting to 86.7% response rate.

Descriptive Analysis

Descriptive analysis was conducted to summarize and present the patterns and trends observed in the collected data. This form of analysis helps to describe the basic features of the variables under study, offering a clear overview of the respondents' perceptions regarding organizational culture. Measures such as means and standard deviations were used to interpret the central tendency and variability of responses related to organizational culture and organizational performance.

Organizational Culture

Organizational culture refers to the shared values, norms, beliefs, and behaviors that shape how members of an organization interact and work toward objectives. A strong culture aligns employees with the strategic direction of the organization and influences how change is embraced or resisted. This is according to (Nguyen & Mohamed, 2021). In the context of strategic change, a supportive and adaptive culture, promotes openness, collaboration, and learning all of which are important for successful strategic change implementation.

This study measured organizational culture through six items that evaluated the organization's openness to innovation, clarity of shared values, support for teamwork, trust, leadership alignment, and adaptability to change.

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Table 1

Influence of organizational culture on performance

Opinion	SD	D	N	A	SA	Mean	SD
The organization's culture supports innovation and adaptability.	1 (1.9%)	2 (3.8%)	6 (11.5%)	28 (53.8%)	15 (28.8%)	4.04	0.80
Employees are encouraged to take initiative during change.	0 (0.0%)	3 (5.8%)	5 (9.6%)	30 (57.7%)	14 (26.9%)	4.06	0.72
Cultural values promote teamwork and collaboration.	0 (0.0%)	1 (1.9%)	6 (11.5%)	29 (55.8%)	16 (30.8%)	4.15	0.66
Most employees perceive change positively.	2 (3.8%)	4 (7.7%)	10 (19.2%)	25 (48.1%)	11 (21.2%)	3.75	0.94
Organizational norms facilitate open dialogue about new strategies.	1 (1.9%)	3 (5.8%)	7 (13.5%)	26 (50.0%)	15 (28.8%)	3.98	0.81
The organizational culture promotes accountability for delivering change outcomes.	1 (1.9%)	2 (3.8%)	9 (17.3%)	28 (53.8%)	12 (23.1%)	3.92	0.77
Recognition and rewards are aligned with change-supportive behaviors.	2 (3.8%)	4 (7.7%)	11 (21.2%)	24 (46.2%)	11 (21.2%)	3.73	0.93

The results show that the organizational culture generally supports strategic change. Most of the respondents agreed or strongly agreed that the organizations culture improves innovation and adaptability (82.6%, M = 4.04), and encourages employees to take initiative (84.6%, M = 4.06). The highest-rated item was on teamwork and collaboration (86.6%, M = 4.15), and this suggests a strong collective spirit that is crucial during the periods of transformation.

Open dialogue about new strategies (M = 3.98) and cultural accountability for delivering change outcomes (M = 3.92) were also rated positively, reflecting a culture of communication and responsibility. However, perceptions about how change is received (M = 3.75) and how recognition is aligned with change behaviors (M = 3.73) scored slightly lower. Notably, 11.5% of respondents disagreed that employees perceive change positively, and 11.5% also disagreed that rewards are aligned with change-supportive behaviors.

These gaps highlight opportunities for the organization to improve on how it reinforces change behavior through recognition systems and to strengthen the employee's psychological readiness for change. As noted by Jabeen and Ahamed (2023), cultures that combine innovation, accountability, and positive reinforcement significantly increases employees' adaptability and strategic alignment.

Organizational Performance

Organizational performance refers to the effectiveness with which an organization achieves its objectives in areas such as productivity, customer satisfaction, innovation, and operational efficiency.

In strategic change contexts, improved performance is often the ultimate indicator of successful change initiatives this is according to (Koech & Letting, 2021). This study measured organizational performance using seven items related to productivity, customer satisfaction, workflow efficiency, innovation, and market growth.

Table 2

Organizational Performance

Opinion	SD	D	N	A	SA	Mean	SD
The organization has improved its overall performance in recent years.	1 (1.9%)	2 (3.8%)	6 (11.5%)	27 (51.9%)	16 (30.8%)	4.06	0.84
Strategic changes have led to improved employee productivity.	0 (0.0%)	3 (5.8%)	6 (11.5%)	28 (53.8%)	15 (28.8%)	4.06	0.75
Change initiatives have positively impacted customer satisfaction.	2 (3.8%)	3 (5.8%)	7 (13.5%)	25 (48.1%)	15 (28.8%)	3.92	0.92
The organization has experienced growth in market share because of strategic changes.	1 (1.9%)	4 (7.7%)	10 (19.2%)	26 (50.0%)	11 (21.2%)	3.81	0.87
Organization processes and workflow have become more efficient after change.	1 (1.9%)	2 (3.8%)	8 (15.4%)	29 (55.8%)	12 (23.1%)	3.94	0.79
Operational efficiency has improved because of strategic change implementation.	1 (1.9%)	2 (3.8%)	7 (13.5%)	28 (53.8%)	14 (26.9%)	3.98	0.80
Strategic change has enhanced the organization's ability to innovate and adapt.	1 (1.9%)	3 (5.8%)	8 (15.4%)	27 (51.9%)	13 (25.0%)	3.92	0.83

The analysis indicates that most respondents perceive strategic change as having a positive impact on organizational performance. For instance, 82.7% of respondents agreed or strongly agreed that overall performance has improved in recent years (M = 4.06), and 82.6% agreed that strategic changes enhanced employee productivity (M = 4.06). Additionally, operational efficiency (M = 3.98) and process workflow (M = 3.94) also received strong ratings.

However, there were slightly lower levels of agreement regarding customer satisfaction (M = 3.92) and market share growth (M = 3.81). Specifically, 11.5% of respondents were neutral about market share improvements, and another 9.6% disagreed. This suggests that while internal operations and innovation capacity have improved, external performance indicators such as market expansion may still be evolving.

These findings align with research by Koech and Letting (2021), who noted that successful strategic change typically boosts internal efficiency and innovation before external indicators like market share begin to shift significantly. Similarly, Wanjiku and Gekara (2023) emphasized that sustained performance improvements require the alignment of change strategy with customer and market needs.

Inferential Analysis

Inferential analysis was conducted to examine the statistical relationships between organizational culture and the performance. While descriptive statistics provided a clear overview of perceptions on variable such as and performance inferential

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analysis goes further by testing the hypotheses and identifying the strength and the direction of associations.

The results of the Pearson correlation analysis revealed significant positive relationships among organizational culture and performance. Organizational culture had a strong positive relationship with organizational performance (r = .693, p < .01), implying that a supportive culture improves the organizations performance.

Table 3

Correlation Analysis

Variables	LS	CS	EE	OC	OP
OC	Pearson Correlation	.63**	.62**	.65**	1
	Sig. (2-tailed)	<.001	<.001	<.001	—
	N	52	52	52	52
OP	Pearson Correlation	.69**	.68**	.68**	**.70**
	Sig. (2-tailed)	<.001	<.001	<.001	<.001
	N	52	52	52	52

LS = Leadership Style; CS = Communication Strategies; EE = Employee Engagement; OC = Organizational Culture; OP = Organizational Performance. Values represent Pearson correlation coefficients (r) with p-values (2-tailed) in parentheses. p < .05, p < .01.*

Model Diagnostics

Normality Test using Shapiro-Wilk Test

The assumption of normality was assessed using the Shapiro–Wilk test for study variables, namely organizational culture (OC) and organizational performance (OP).

Table 4

Shapiro–Wilk Normality Test for Study Variables (N = 52)

Variable	Statistic(W)	df	Sig. (p)
OC (Organizational Culture)	.976	52	.248
OP(Organizational Performance)	.983	52	.371

Shapiro–Wilk test was conducted to assess normality of the study variables. Values with p > .05 indicate that the distribution does not significantly deviate from normality.

Q-Q Plot for Organizational Culture

Table 5

Multicollinearity Test Results (VIF)

Variable	VIF	Tolerance (1/VIF)
Organizational Culture	2.432	0.411

Source: Research Data (2025)

The results indicate that all variables had VIF values less than 10 and tolerances greater than 0.1. This implies the absence of multicollinearity, confirming that the predictor variables were suitable for regression analysis.

Bi-variate Regression Analysis

Bi-variate regression analysis was conducted to assess the effect of organizational culture on organizational performance. The model was evaluated using the model summary (R and R^2), ANOVA results, and coefficients.

Organizational Culture and Organizational Performance

Organizational culture encompasses the shared values, beliefs, norms, and practices that shape employee behavior and organizational identity. A strong and positive culture is often linked to enhanced teamwork, innovation, and productivity, which collectively contribute to organizational performance. Regression analysis was conducted to determine the influence of organizational culture on performance.

The analysis reveals that organizational culture explains 21.3% (R^2 = .213) of the variation in organizational performance. The ANOVA results ($F(1,50) = 18.97$, $p < .001$) indicate the model is statistically significant. The regression coefficients further show a positive and significant relationship between organizational culture and performance ($\beta = 0.461$, $p < .05$). This means that a supportive and adaptive culture contributes positively to organizational performance outcomes.

Table 6

Model Summary for Organizational Culture

Model	R	R^2	Adjusted R^2	Std. Error of Estimate
1	.461	.213	.197	0.682

Table 7

ANOVA Results for Organizational Culture

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	10.667	1	10.667	18.97	.000
Residual	23.787	50	0.476		
Total	34.454	51			

Table 8

Coefficients for Organizational Culture

Predictor	B	Std. Error	Beta	t	p
(Constant)	2.521	0.220	—	11.459	.000
Organizational Culture	0.392	0.090	0.461	4.356	.000

Organizational Culture explains **21.3% (R^2 = .213)** of the variation in organizational performance. The ANOVA ($F(1,50) = 18.97$, $p < .001$) shows that the model is significant. The coefficients reveal a **positive and significant relationship** between Organizational Culture and performance ($\beta = 0.461$, $p < .05$).

Coefficient of Determination

Summary of Bi-variate Regression

Organizational Culture had a positive and significant relationship with Organizational Performance. Organizational Culture ($\beta = 0.461$).

Table 9

Regression Analysis results

Predictor	B	SE B	β (Beta)	t	p
Constant)	0.421	0.288	—	1.46	.149
Organizational Culture	0.321	0.105	0.340	3.06	.004

Dependent Variable: Performance of Manufacturing Industries in Nairobi County

The results indicated that organizational culture has a substantial influence on organizational performance.

Hypothesis Testing Results

Hypothesis (H_0)

Organizational culture does not significantly influence the organizational performance of manufacturing industries in Nairobi County

The analysis showed that organizational culture had a significant and positive influence on the organizational performance (β = 0.340, p = .004). Since the p-value is less than 0.05, the null hypothesis (H_4) is rejected. This indicates that a strong and supportive organizational culture significantly enhances performance. These findings support Schein's Organizational Culture Theory, which explains that culture operates at three levels the artifacts, espoused values, and underlying assumptions and that they all shape employee behavior and organizational effectiveness. When these cultural layers are aligned, they create a strong foundation that drives organizational performance (Atuhaire, Kato, & Mugizi, 2025). The results also support the McKinsey 7s framework which identifies shared values within an organization as a key factor in aligning the other six organizational elements to drive performance (Anwar & Abdullah, 2021). This is also in agreement with Lewin's Model, which emphasizes that during the refreezing stage, where change is institutionalized, a supportive culture is essential for sustaining improved organizational outcomes.

CONCLUSION AND RECOMMENDATIONS

Organizational culture was found to have a significant and positive impact on organizational performance (β = 0.340, p = .004). This implies that a strong, adaptive, and well-aligned organizational culture contributes a lot to the achievements of strategic objectives and overall business success. Culture shapes how employees interact, make decisions, embrace change, and relate to the organization mission.

In manufacturing industries, culture influences everything from safety practices and quality control to the innovation and employee retention. A culture that values collaboration, continuous improvement, accountability, and inclusiveness creates a good foundation for strategic change and operational excellence. The findings of this study reveal that when an organization's culture supports agility, learning, and openness, the employees are more likely to adopt new ideas, embrace process improvements, and work toward common goals without much resistance.

Furthermore, organizational culture acts as an internal compass that guides behavior and decision-making, especially in times of change or uncertainty in the organization. Businesses with strong cultural foundations are better able to navigate change initiatives, minimize internal resistance and maintain productivity well. This therefore means that, leaders should

focus on nurturing a culture that aligns well with the organization's strategic direction and

promotes behaviors that enhance long-term performance. The main objective of this study was to examine the effect of strategic change management practices namely the leadership styles, communication strategies, employee engagement, and organizational culture on the

organizational performance in the manufacturing industry within Nairobi County. The study was motivated by the increasing need for manufacturing firms to remain competitive and agile in the face of dynamic market conditions, technological change and advancement, and evolving customer demands. Through quantitative research approach and multiple linear regression analysis, the findings established that all four independent variables had a statistically significant and positive influence on organizational performance.

The findings identified organizational culture as the most critical determinant of organizational performance. A strong and supportive culture shapes employee behavior, reinforces shared values, and aligns collective efforts with organizational objectives. By establishing clear norms and expectations, culture provides the foundation upon which other performance-enhancing factors, such as leadership and communication, can effectively operate. These results underscore the importance of cultivating a culture that prioritizes collaboration, innovation, and accountability as a pathway to sustained organizational success.

Overall, the study concluded that for organizations to achieve and sustain high performance during strategic change, they must prioritize cultivating a strong organizational culture, supported by effective communication, participative leadership, and employee involvement.

The recommended that manufacturing firms should consider evaluating and intentionally shaping their organizational culture and align them with their strategic goals. Management should define core values, communicate them clearly, and ensure that they are reflected in the recruitment, performance management, and daily operations of the organization. A strong organizational culture that is built on trust, collaboration, and continuous learning not only supports strategy implementation but also builds resilience in times of change. Change management initiatives should consider cultural readiness and promote values that encourage innovation and adaptability.

Suggestion for Further Studies

While this study focused on the influence of organizational culture on organizational performance in manufacturing firms within Nairobi County, future research could expand the scope to include other sectors such as service, healthcare, or public institutions for comparative analysis. Additionally, qualitative or mixed-method studies could provide a deeper understanding into employee experiences and leadership dynamics during strategic change. Researchers may also explore the moderating or mediating effects of factors such as technology adoption, organizational structure, or market competition on the relationship between change management practices and performance.

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