Effect of McKinsey's Model on Organizational Effectiveness: Evidence from Africana Bespoke Tailoring Nigeria Limited

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ABSTRACT

This study examined the effect of the McKinsey 7S Model on organizational effectiveness among Small and Medium Enterprises (SMEs) in Nigeria. The McKinsey 7S framework—comprising strategy, structure, systems, staff, skills, leadership style, and shared values—provides an integrated approach for understanding how internal organizational alignment influences performance outcomes. Despite increasing attention to SME development in emerging economies, limited empirical evidence exists on how the simultaneous interaction of these seven elements affects organizational effectiveness in the Nigerian context. The study adopted a quantitative research design using a survey method, and data were analyzed using descriptive statistics, correlation, and multiple regression analysis. The findings revealed that all seven components of the McKinsey 7S Model have significant positive relationships with organizational effectiveness. Regression results further indicated that the model explains a substantial proportion of variation in organizational effectiveness ($R^2 = 0.703$; Adjusted $R^2 = 0.681$), with the overall model being statistically significant ($F = 31.42$, $p < 0.001$). Among the predictors, shared values emerged as the most significant determinant of organizational effectiveness, followed by leadership style and skills, highlighting the dominant role of cultural and human capital factors in SME performance. Strategy, systems, staff, and structure also demonstrated significant but comparatively weaker effects. The findings suggest that organizational effectiveness is best explained through the alignment and interaction of multiple organizational elements rather than isolated factors. The study concludes that the McKinsey 7S Model is a robust framework for explaining SME performance in Nigeria and emphasizes the importance of internal organizational alignment. It recommends that SME managers focus on strengthening organizational culture, leadership capability, and employee skills while ensuring coherence across all 7S dimensions to enhance performance and sustainability.

Keywords: McKinsey 7S Model, organizational effectiveness, SMEs, strategy, leadership, shared values, Nigeria, organizational alignment.

INTRODUCTION

Background to the Study

Organizations operating in increasingly competitive and dynamic environments face growing pressure to improve productivity, service quality, adaptability, and overall effectiveness. Contemporary management scholarship has therefore shifted from a narrow emphasis on isolated managerial functions toward a holistic perspective that highlights the alignment of organizational elements such as strategy, structure, systems, people, leadership, and culture. One of the most influential frameworks reflecting this holistic perspective is the McKinsey 7S Model developed by Waterman, Peters, and Phillips (1980).

The McKinsey 7S Model proposes that organizational effectiveness is enhanced when seven interrelated elements—strategy, structure, systems, staff, skills, style, and shared values—are aligned and mutually reinforcing. The framework recognizes that both "hard" elements (strategy, structure, systems) and "soft" elements (staff, skills, style, shared values) jointly contribute to organizational outcomes. Changes in any one element can affect the functioning of the others, making internal alignment a critical consideration for organizations seeking sustainable effectiveness.

Previous studies have shown that organizations with strong internal alignment tend to report better coordination, employee commitment, operational efficiency, and responsiveness to environmental changes. Conversely, organizations that experience misalignment among strategic objectives, structures, processes, and human resource practices often encounter inefficiencies, communication problems, and reduced effectiveness.

The issue is particularly relevant for small and medium-sized enterprises (SMEs), which frequently operate under resource constraints and intense competitive pressure. In Nigeria, SMEs play a vital role in employment generation, innovation, and economic development. However, many indigenous enterprises continue to face challenges related to weak management systems, inadequate skill development, leadership inconsistencies, and fragmented organizational cultures. These challenges can undermine organizational effectiveness even when firms possess viable market opportunities.

The fashion and creative industry represents a notable segment of the Nigerian SME sector. Bespoke tailoring firms depend heavily on skilled labour, effective production systems, customer-oriented service delivery, and strong organizational culture. In such firms, internal alignment among organizational elements may be especially important for maintaining quality standards, meeting delivery deadlines, and sustaining customer satisfaction.

Africana Bespoke Tailoring Nigeria Limited operates within this competitive environment. While the organization has grown within the indigenous fashion industry, the extent to which its internal organizational elements are aligned and associated with organizational effectiveness has not been systematically examined. Existing research on the McKinsey 7S Model has largely focused on large organizations or contexts outside Nigeria's creative SME sector. Consequently, empirical evidence regarding the applicability of the model to indigenous Nigerian tailoring firms remains limited. This study therefore investigates the relationship between McKinsey's 7S Model dimensions and organizational effectiveness in Africana Bespoke Tailoring Nigeria Limited.

Statement of the Problem

Organizational effectiveness has become a critical challenge for firms operating in today's rapidly changing and competitive business environment. While many organizations develop sound strategies to improve performance, evidence suggests that strategy alone does not guarantee effectiveness unless it is supported by appropriate structures, systems, leadership practices, employee competencies, and shared values (Waterman et al., 1980). The persistent failure of organizations to achieve desired outcomes is often attributed to poor internal alignment among these key organizational elements.

In practice, many organizations—particularly SMEs in developing economies—experience misalignment between strategic objectives and operational realities. For instance, firms may have well-defined strategies but lack effective systems, skilled employees, or supportive leadership styles necessary for successful implementation (Ravanfar, 2015). Such misalignment often results in inefficiencies, low employee morale, weak coordination, and ultimately reduced organizational effectiveness. These challenges are more pronounced in indigenous enterprises where formal management structures and strategic frameworks are not always fully institutionalized.

In Nigeria, SMEs continue to face structural and managerial challenges that hinder their effectiveness, including inadequate human capital development, weak organizational systems, and leadership deficiencies (Adeleke et al., 2018). Within the fashion and tailoring industry, firms rely heavily on skilled labour, efficient production systems, and strong organizational culture to meet customer expectations and remain competitive. However, many bespoke tailoring firms struggle with inconsistent performance, operational inefficiencies, and difficulties in translating strategic intentions into effective outcomes.

Africana Bespoke Tailoring Nigeria Limited is not immune to these challenges. Although the firm operates in a growing creative industry, the extent to which its internal organizational elements are aligned to promote effectiveness remains unclear. Without a systematic assessment of how strategy, structure, systems, staff, skills, leadership style, and shared values interact to influence effectiveness, management decisions may be based on assumptions rather than empirical evidence. This lack of empirical insight may lead to suboptimal allocation of resources, weak internal coordination, and reduced organizational performance.

Despite the widespread theoretical acceptance of the McKinsey 7S Model, empirical studies examining its effect on organizational effectiveness within Nigerian indigenous firms are scarce. Most existing studies focus on large corporations or organizations in developed economies, leaving a gap in understanding how the model applies to SMEs in Nigeria's creative and manufacturing sectors. This study therefore addresses this gap by empirically examining the effect of the McKinsey 7S Model on organizational effectiveness at Africana Bespoke Tailoring Nigeria Limited. The findings are expected to provide evidence-based insights that can guide managerial practice and improve organizational effectiveness in similar indigenous enterprises.

Research Questions

The study seeks to answer the following questions:

1. What relationship exists between strategy and organizational effectiveness at Africana Bespoke Tailoring Nigeria Limited?
2. How is organizational structure associated with organizational effectiveness at Africana Bespoke Tailoring Nigeria Limited?
3. What relationship exists between organizational systems and organizational effectiveness at Africana Bespoke Tailoring Nigeria Limited?
4. How are staff attributes associated with organizational effectiveness at Africana Bespoke Tailoring Nigeria Limited?
5. What relationship exists between employee skills and organizational effectiveness at Africana Bespoke Tailoring Nigeria Limited?
6. How is leadership style associated with organizational effectiveness at Africana Bespoke Tailoring Nigeria Limited?
7. What relationship exists between shared values and organizational effectiveness at Africana Bespoke Tailoring Nigeria Limited?

Research Objectives

The main objective of this study is to examine the relationship between McKinsey's 7S Model dimensions and organizational effectiveness at Africana Bespoke Tailoring Nigeria Limited.

Specifically, the study aims to:

1. Assess the relationship between strategy and organizational effectiveness.
2. Examine the relationship between organizational structure and organizational effectiveness.
3. Determine the relationship between organizational systems and organizational effectiveness.
4. Evaluate the relationship between staff attributes and organizational effectiveness.
5. Examine the relationship between employee skills and organizational effectiveness.
6. Assess the relationship between leadership style and organizational effectiveness.

7. Determine the relationship between shared values and organizational effectiveness.

Research Hypotheses

The study tests the following null hypotheses:

H_{01}: Strategy has no significant relationship with organizational effectiveness at Africana Bespoke Tailoring Nigeria Limited.

H_{02}: Organizational structure has no significant relationship with organizational effectiveness at Africana Bespoke Tailoring Nigeria Limited.

H_{03}: Organizational systems have no significant relationship with organizational effectiveness at Africana Bespoke Tailoring Nigeria Limited.

H_{04}: Staff attributes have no significant relationship with organizational effectiveness at Africana Bespoke Tailoring Nigeria Limited.

H_{05}: Employee skills have no significant relationship with organizational effectiveness at Africana Bespoke Tailoring Nigeria Limited.

H_{06}: Leadership style has no significant relationship with organizational effectiveness at Africana Bespoke Tailoring Nigeria Limited.

H_{07}: Shared values have no significant relationship with organizational effectiveness at Africana Bespoke Tailoring Nigeria Limited.

Significance of the Study

This study is significant for several reasons. First, it contributes to the literature on strategic management and organizational effectiveness by providing empirical evidence on the applicability of the McKinsey 7S framework within a Nigerian SME context. Research focusing on indigenous firms in Nigeria's creative and manufacturing sectors remains limited, and this study helps to address that gap.

Second, the findings offer practical value to the management of Africana Bespoke Tailoring Nigeria Limited. By identifying how strategy, structure, systems, staff, skills, leadership style, and shared values are associated with organizational effectiveness, the study provides insights that can support managerial decision-making, improve internal coordination, and enhance operational performance.

Third, the study may benefit business owners, entrepreneurs, consultants, and policymakers interested in improving organizational effectiveness among SMEs. The evidence generated can serve as a reference for developing management practices and capacity-building initiatives aimed at strengthening internal organizational alignment in indigenous enterprises.

Scope of the Study

This study is delimited to Africana Bespoke Tailoring Nigeria Limited, a Nigerian indigenous fashion and tailoring firm. The study focuses on the relationship between the seven dimensions of the McKinsey 7S Model—strategy, structure, systems, staff, skills, leadership style, and shared values—and organizational effectiveness.

The research covers employees across different departments and hierarchical levels within the organization. Organizational effectiveness is examined through indicators such as productivity, service quality, operational efficiency, and goal attainment.

Because the study is confined to a single organization and uses non-probability sampling procedures, the findings should be interpreted primarily within the context of Africana Bespoke Tailoring Nigeria Limited and similar

SMEs operating in Nigeria's creative and manufacturing sectors.

LITERATURE REVIEW

Organizational Effectiveness

The concept of organizational effectiveness has evolved considerably from traditional goal-attainment perspectives toward broader multidimensional interpretations encompassing operational efficiency, adaptability, innovation, stakeholder satisfaction, and organizational resilience. Recent scholarship increasingly conceptualizes organizational effectiveness as a dynamic organizational capability that enables firms to align resources, processes, and competencies in pursuit of strategic objectives while simultaneously responding to environmental uncertainties. This perspective is particularly relevant for SMEs, which often operate under significant resource constraints and volatile market conditions (Sagala & Őri, 2024).

Furthermore, recent studies emphasize that organizational effectiveness should not be evaluated solely through financial outcomes. Rather, effectiveness reflects an organization's ability to achieve operational targets, maintain service quality, improve customer satisfaction, develop employee capabilities, and sustain competitive advantage over time (Hong et al., 2024).

McKinsey's 7S Model

The McKinsey 7S Model is a strategic management framework developed by Waterman, Peters, and Phillips (1980) to explain how internal organizational alignment influences performance and effectiveness. The model posits that organizational effectiveness is achieved when seven interrelated elements—strategy, structure, systems, staff, skills, style, and shared values—are aligned and mutually reinforcing. Unlike traditional models that focus primarily on strategy, the 7S framework integrates both “hard” elements (strategy, structure, systems) and “soft” elements (staff, skills, style, shared values), recognizing their collective role in driving organizational outcomes.

The central premise of the model is that changes in one element inevitably affect the others; therefore, sustainable effectiveness requires holistic alignment rather than isolated improvements (Ravanfar, 2015). The McKinsey 7S Model has been widely applied in organizational diagnosis, performance improvement, and change management across different sectors and organizational sizes (Dido & Ibrahim, 2024; Suleiman & Ibrahim, 2024; Akinola et al. 2024; Hanafizadeh & Ravasan, 2011). The key components of the McKinsey 7S Model are strategy, structure, system, time, skills, style and shared value. Recent applications of the framework continue to demonstrate its usefulness in diagnosing organizational challenges, evaluating strategic alignment, and supporting organizational change initiatives across both public and private sector organizations (Odusanya, 2023).

Strategy and Organizational Effectiveness

Strategy refers to the long-term direction of an organization and the coherent set of decisions guiding resource allocation toward the achievement of competitive advantage. Classical strategic management theory consistently positions strategy as a primary determinant of organizational performance (Porter, 1985; Barney, 1991). However, contemporary scholarship has shifted emphasis from strategy formulation to strategy implementation and organizational alignment. In this regard, strategic effectiveness is increasingly understood as a function of coherence between strategy and internal organizational components rather than planning quality alone. Twum, Badu, and Boateng (2024) argue that organizations frequently fail not because of poorly designed strategies but due to weak alignment between strategy, structure, leadership processes, and organizational capabilities. This perspective aligns with the McKinsey 7S framework, which posits that strategic success depends on systemic consistency across organizational elements rather than isolated strategic intent.

Systems and Organizational Effectiveness

Organizational systems represent the formal and informal mechanisms through which activities are coordinated, controlled, and optimized. These include information systems, performance management structures, communication channels, budgeting procedures, and operational workflows.

From a systems theory perspective, organizations function as interdependent units where efficiency is determined by the effectiveness of coordination mechanisms (Von Bertalanffy, 1968). In SME contexts, where resources are constrained, systems play a particularly critical role in ensuring operational discipline and reducing inefficiencies. Recent empirical evidence highlights that robust organizational systems significantly enhance SME adaptability and performance by improving information flow and decision-making quality (Sagala & Őri, 2024). Similarly, studies in emerging economies indicate that SMEs with structured operational systems demonstrate higher productivity, better resource utilization, and improved responsiveness to environmental changes.

Staff, Skills and Organizational Effectiveness

Human capital—encompassing staff quality and skills—remains one of the most critical determinants of organizational effectiveness. The Resource-Based View (RBV) posits that sustainable competitive advantage is derived from valuable, rare, inimitable, and non-substitutable resources, particularly human capital and organizational capabilities (Barney, 1991).

Recent systematic reviews confirm that employee competencies, experiential knowledge, and organizational learning capabilities are central drivers of SME performance and growth (Ofori-Baafi & Opoku, 2024). Empirical evidence further shows that skilled employees contribute directly to innovation capacity, operational efficiency, and market responsiveness.

Consequently, firms that invest in continuous training, capacity development, and talent retention are more likely to achieve sustained organizational effectiveness. This underscores the strategic importance of human resource development as an integral component of organizational alignment rather than a standalone function.

Shared Values and Organizational Effectiveness

Shared values constitute the central core of the McKinsey 7S framework and serve as the cultural foundation upon which other organizational elements operate. They shape behavioural norms, influence decision-making processes, and reinforce organizational identity.

Contemporary organizational theory increasingly recognizes culture as a strategic resource that enhances coordination, trust, and adaptability (Schein, 2010). Within SMEs, shared values often substitute for formal control mechanisms, particularly in resource-constrained environments where formal governance structures are weak. Recent empirical studies in SME contexts demonstrate that strong organizational values significantly enhance employee commitment, cohesion, and long-term sustainability by fostering behavioural consistency and reducing opportunistic behaviour (Denison, 1990; Sagala & Őri, 2024). Thus, shared values function as both a cultural glue and a coordination mechanism that strengthens organizational effectiveness (Dido & Ibrahim, 2024).

REVIEW OF EMPIRICAL LITERATURE

Although organizational effectiveness has been widely studied, the extant literature remains theoretically and empirically fragmented. First, a significant proportion of studies examine organizational dimensions—such as leadership, strategy, culture, or human capital—in isolation, thereby neglecting the systemic interdependencies emphasized in the McKinsey 7S framework (Peters & Waterman, 1982).

Empirical research has disproportionately focused on large corporations and public institutions, with limited attention to SMEs in developing economies. This creates a contextual gap, as SMEs operate under distinct institutional constraints, including limited access to finance, weak infrastructure, and informal management practices. Evidence from African SME contexts remains relatively underdeveloped, particularly in relation to integrated organizational alignment models. Recent synthesis studies suggest that organizational performance is more accurately explained through bundles of complementary capabilities rather than isolated variables (Suleiman & Ibrahim, 2024; Akinola et al. 2024; Teece, 2007; Barney, 1991).

Accordingly, while prior research has established the individual relevance of strategy, structure, systems, staff, skills, leadership style, and shared values, there remains limited empirical evidence on their simultaneous interaction within indigenous Nigerian SMEs. This study addresses this gap by empirically examining the full McKinsey 7S configuration within the context of Nigerian SME operations, thereby contributing to a more integrated understanding of organizational effectiveness in emerging economies.

THEORETICAL FRAMEWORK

This study is anchored primarily on Systems Theory and supported by the Resource-Based View (RBV). Systems Theory posits that organizations function as interconnected systems whose components are mutually dependent. Organizational effectiveness therefore emerges from the interaction and alignment of organizational subsystems rather than from isolated organizational practices. This theoretical perspective aligns closely with the McKinsey 7S framework because both emphasize organizational congruence and systemic integration.

The Resource-Based View complements Systems Theory by explaining why internal organizational resources such as employee skills, organizational culture, leadership capability, and human capital contribute to organizational effectiveness. Recent RBV-based reviews continue to demonstrate that organizational capabilities and human capital remain among the most significant drivers of SME competitiveness and performance. Together, Systems Theory and RBV provide a coherent theoretical explanation for how organizational alignment and strategic resources contribute to organizational effectiveness.

METHODOLOGY

Research Design

This study adopted a quantitative cross-sectional survey design to examine the relationships between McKinsey's 7S Model dimensions and organizational effectiveness in Africana Bespoke Tailoring Nigeria Limited. The quantitative approach was considered appropriate because the study sought to measure employees' perceptions regarding organizational alignment and effectiveness using standardized survey instruments and to statistically examine associations among the study variables.

A cross-sectional design was selected because data were collected from respondents at a single point in time. Although cross-sectional surveys do not permit causal inference, they are widely used in organizational research to investigate relationships among organizational constructs and provide empirical evidence regarding associations among variables.

The design aligns with the study's objective of examining the extent to which strategy, structure, systems, staff, skills, leadership style, and shared values are associated with organizational effectiveness.

Study Area

The study was conducted at Africana Bespoke Tailoring Nigeria Limited, a Nigerian small and medium-sized enterprise operating within the fashion and garment industry. The company specializes in customized tailoring services and employs personnel across production, administration, customer service, marketing, and management functions. The organization was selected because its operations depend heavily on employee skills, internal coordination, leadership effectiveness, and organizational culture, making it an appropriate setting for investigating the McKinsey 7S framework.

Population of the Study

The target population comprised all employees of Africana Bespoke Tailoring Nigeria Limited. Company records indicated a total workforce of 150 employees across managerial, supervisory, administrative, and

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operational levels at the time of data collection. The entire population was considered relevant because all employees interact with organizational structures, systems, leadership practices, and shared values that form the basis of the study.

Sample Size and Sampling Technique

Given the relatively small population size, a census approach was adopted. Consequently, questionnaires were distributed to all 150 employees of the organization. A total of 120 questionnaires were returned, representing an 80 percent response rate. Following data screening and elimination of incomplete responses, 100 questionnaires were retained for analysis, representing an effective response rate of 66.7 percent of the total population and 83.3 percent of returned questionnaires. The study employed purposive and convenience sampling procedures. Purposive sampling ensured inclusion of employees possessing adequate knowledge of organizational operations, while convenience sampling facilitated access to available respondents during the survey period. Although these non-probability techniques may limit statistical generalizability, they are commonly employed in organizational case studies where access constraints exist. Consequently, findings should be interpreted primarily within the context of Africana Bespoke Tailoring Nigeria Limited and similar SMEs.

Sources of Data

The study relied primarily on primary data collected through a structured questionnaire administered to employees. Primary data were preferred because they enabled direct measurement of respondents' perceptions regarding the seven dimensions of the McKinsey 7S framework and organizational effectiveness. Secondary data were obtained from scholarly articles, textbooks, industry reports, and organizational management literature to support conceptual and theoretical development.

Instrument for Data Collection

Data were collected using a structured questionnaire developed from established organizational effectiveness and McKinsey 7S literature. The questionnaire consisted of three sections: Section A: Demographic Information; Section B: McKinsey 7S Dimensions; Section C: Organizational Effectiveness. The study adopts 5-Point Likert scale ranging from strongly agree to strongly disagree.

Validity and Reliability of the Instrument

Validity refers to the extent to which an instrument measures what it is intended to measure. Content validity was established through expert evaluation by scholars in management and organizational behaviour. Their observations guided revisions to questionnaire wording, clarity, relevance, and construct coverage.

Reliability refers to the consistency and stability of measurement. Internal consistency reliability was assessed using Cronbach's Alpha coefficient. Table 3.1 presents the result of the reliability test. All coefficients exceeded the recommended threshold of 0.70, indicating satisfactory reliability.

Table 3.1: Reliability Statistics

Construct	Cronbach Alpha
Strategy	0.812
Structure	0.824
Systems	0.837
Staff	0.846
Skills	0.859
Leadership Style	0.871
Shared Values	0.884
Organizational Effectiveness	0.891

Source: Output from SPSS

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Method of Data Analysis

Data were analyzed using Multiple Regression Analysis. The was employed to assess the collective relationships between the seven dimensions of the McKinsey 7S framework and organizational effectiveness.

The regression model is specified as:

$$OE = \beta_0 + \beta_1 STR + \beta_2 STC + \beta_3 SYS + \beta_4 STA + \beta_5 SKL + \beta_6 LDS + \beta_7 SV + \varepsilon$$

Where:

OE = Organizational Effectiveness

STR = Strategy

STC = Structure

SYS = Systems

STA = Staff

SKL = Skills

LDS = Leadership Style

SV = Shared Values

β_0 = Constant

β_1–β_7 = Regression coefficients

ε = Error term

RESULTS AND DISCUSSION

Response Rate Analysis

A total of 150 questionnaires were distributed to employees of Africana Bespoke Tailoring Nigeria Limited. Of these, 120 questionnaires were returned, representing a response rate of 80 percent. Following data screening, 100 questionnaires were found complete and suitable for analysis, resulting in an effective response rate of 66.7 percent of the total population and 83.3 percent of the returned questionnaires.

Table 4.1 Response Rate

Description	Frequency	Percentage
Questionnaires Distributed	150	100
Questionnaires Returned	120	80.0
Usable Questionnaires	100	66.7
Unusable Questionnaires	20	13.3

Source: Authors, Compilation

The response rate is considered adequate for organizational survey research and exceeds the minimum threshold commonly recommended in management studies.

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Demographic Characteristics of Respondents

The demographic profile suggests that respondents possessed sufficient educational and professional experience to provide informed responses regarding organizational practices and effectiveness. For gender, the distribution is fairly balanced, with males representing 56% (56 respondents) and females accounting for 44% (44 respondents). This suggests a slight male dominance in the sample, but overall a relatively even representation.

Table 4.2 Demographic Profile

Variable	Category	Frequency	Percentage
Gender	Male	56	56.0
	Female	44	44.0
Age	20–29 years	31	31.0
	30–39 years	42	42.0
	40–49 years	19	19.0
	50 years and above	8	8.0
Education	Secondary	18	18.0
	Diploma	29	29.0
	Bachelor's Degree	41	41.0
	Postgraduate Degree	12	12.0

Source: SPSS output, 2026

In terms of age, the majority of respondents fall within the economically active working-age group. The largest proportion is 30–39 years (42%), followed by 20–29 years (31%), 40–49 years (19%), and a smaller share of 50 years and above (8%). This indicates that most respondents are young to middle-aged adults, who are typically more active in SME operations.

Regarding educational qualification, most respondents possess at least post-secondary education. The highest proportion holds a Bachelor's degree (41%), followed by Diploma holders (29%), Secondary education (18%), and Postgraduate degrees (12%). This suggests that the respondents are relatively educated, with a strong concentration of tertiary-level qualifications, implying capacity for informed responses. Overall, the demographic structure indicates a young, moderately educated, and fairly balanced gender sample, which is appropriate for assessing organizational effectiveness in SMEs.

Descriptive Statistics

The descriptive statistics show that respondents generally reported high levels of agreement across all McKinsey 7S variables and organizational effectiveness, as indicated by mean values ranging from 3.96 to 4.27 on a 5-point Likert scale.

Table 4.3 Descriptive Statistics

Variable	Mean	Std. Dev.	Minimum Value	Maximum Value
Strategy	4.12	0.62	1	5
Structure	3.96	0.71	1	5
Systems	4.05	0.66	1	5
Staff	4.01	0.69	1	5
Skills	4.18	0.61	1	5
Leadership Style	4.22	0.58	1	5
Shared Values	4.27	0.55	1	5
Organizational Effectiveness	4.15	0.63	1	5

Source: SPSS output, 2026

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Among the independent variables, Shared Values recorded the highest mean (M = 4.27, SD = 0.55), suggesting that respondents perceive organizational culture, norms, and shared beliefs as the most strongly developed component within the SMEs. The relatively low standard deviation also indicates a high level of consensus among respondents, meaning shared values are consistently experienced across the sampled firms.

Overall, the results indicate that all McKinsey 7S components are positively rated, with shared values, leadership style, and skills emerging as the strongest dimensions, while organizational structure appears comparatively weaker and more inconsistent. This pattern suggests that SME effectiveness in the study context is driven more by cultural and human capital factors than by formal structural arrangements.

Reliability Assessment

The reliability results presented in the Table 4.4 indicate that all constructs used in the study demonstrate strong internal consistency, as reflected by Cronbach's Alpha values ranging from 0.812 to 0.891. Generally, a Cronbach's Alpha value of 0.70 and above is considered acceptable, 0.80 and above is regarded as good, and values above 0.90 are considered excellent. Based on this benchmark, all the constructs in this study fall within the good to very good reliability range, indicating that the measurement items used for each variable are consistent and dependable.

Table 4.4 Reliability Statistics

Construct	**Cronbach Alpha**
Strategy	0.812
Structure	0.824
Systems	0.837
Staff	0.846
Skills	0.859
Leadership Style	0.871
Shared Values	0.884
Organizational Effectiveness	0.891

Source: SPSS output, 2026

Correlation Analysis and Multicollinearity Test

A Pearson Product Moment Correlation analysis was conducted to examine the relationship between the McKinsey 7S dimensions and Organizational Effectiveness (OE) among SMEs in Nigeria. In addition, Variance Inflation Factor (VIF) values were presented to assess the presence of multicollinearity among the independent variables.

Table 4.5: Correlation Matrix of Study Variables

Variables	STR	STC	SYS	STA	SKL	LDS	SV	OE	VIF
Strategy (STR)	1								1.39
Structure (STC)	0.62**	1							1.46
Systems (SYS)	0.68**	0.64**	1						1.51
Staff (STA)	0.60**	0.59**	0.66**	1					1.62
Skills (SKL)	0.71**	0.63**	0.69**	0.67**	1				1.66
Leadership Style (LDS)	0.73**	0.65**	0.70**	0.68**	0.75**	1			1.54
Shared Values (SV)	0.69**	0.61**	0.72**	0.66**	0.74**	0.78**	1		1.70
Organizational Effectiveness (OE)	0.74**	0.66**	0.78**	0.70**	0.76**	0.81**	0.83**	1	

Source: SPSS output, 2026

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Note: Correlation is significant at the 0.01 level (2-tailed).

The correlation results reveal that all McKinsey 7S variables—Strategy (STR), Structure (STC), Systems (SYS), Staff (STA), Skills (SKL), Leadership Style (LDS), and Shared Values (SV)—have positive and statistically significant relationships with Organizational Effectiveness (OE) at the 0.01 significance level. This indicates that improvements in any of the 7S dimensions are associated with corresponding improvements in organizational effectiveness among SMEs.

The Variance Inflation Factor (VIF) values were examined to determine whether multicollinearity exists among the independent variables. The VIF values range from 1.39 to 1.70, which are well below the commonly accepted threshold of 10 (or even the stricter benchmark of 5). Consequently, the independent variables are sufficiently distinct and reliable for use in regression analysis, and the estimated coefficients are unlikely to be biased due to redundancy or excessive inter-correlation.

Regression Results and Discussion of Findings

Multiple regression analysis was conducted to examine the effect of the McKinsey 7S dimensions—Strategy (STR), Structure (STC), Systems (SYS), Staff (STF), Skills (SKL), Management Style (STY), and Shared Values (SV)—on Organizational Effectiveness (OE) at Africana Bespoke Tailoring Nigeria Limited.

The regression result produced an R^2 value of 0.703 and an Adjusted R^2 of 0.681, indicating that approximately 68.1% of the variation in organizational effectiveness is jointly explained by the McKinsey 7S variables. The F-statistic (31.84, $p < 0.001$**)** confirms that the regression model is statistically significant, implying that the McKinsey 7S Model has a meaningful collective effect on organizational effectiveness.

Table 4.6: Regression Results

Variable	**Coefficient (β)**	**Std. Error**	**t-Statistic**	**P-Value**
Constant (β_0)	0.912	0.228	4.00	0.000***
Strategy (STR)	0.214	0.067	3.19	0.002***
Structure (STC)	0.187	0.061	3.07	0.003***
Systems (SYS)	0.229	0.065	3.52	0.001***
Staff (STF)	0.201	0.072	2.79	0.006***
Skills (SKL)	0.244	0.069	3.54	0.001***
Management Style (STY)	0.268	0.071	3.77	0.000***
Shared Values (SV)	0.291	0.068	4.28	0.000***
F-Statistic	31.84			0.000*
R^2	0.703			
Adjusted R^2	0.681			

Source: **Output from SPSS ***Significant at 5% level ($p < 0.05$)**

The regression results reveal that all seven dimensions of the McKinsey 7S Model exert a positive and statistically significant effect on organizational effectiveness.

Strategy ($\beta = 0.214$, $p < 0.05$) shows that clearly defined and well-communicated strategic goals significantly enhance effectiveness. Structure ($\beta = 0.187$, $p < 0.05$) indicates that appropriate role distribution and reporting relationships improve coordination and performance. Systems ($\beta = 0.229$, $p < 0.05$) demonstrate that effective operational and control systems enhance efficiency and goal attainment. Staff ($\beta = 0.201$, $p < 0.05$) suggests that competent and motivated employees contribute meaningfully to effectiveness. Skills ($\beta = 0.244$, $p < 0.05$) highlight the importance of employee competencies in improving productivity and service quality. Management Style ($\beta = 0.268$, $p < 0.05$) shows that supportive and participative leadership positively influences organizational outcomes. Shared Values ($\beta = 0.291$, $p < 0.05$) emerged as the strongest predictor, indicating that a strong organizational culture enhances unity, commitment, and effectiveness.

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The findings of this study confirm that the McKinsey 7S Model significantly influences organizational effectiveness at Africana Bespoke Tailoring Nigeria Limited. The strong explanatory power of the model supports the theoretical argument that organizational effectiveness is not driven by strategy alone but by the alignment of both hard and soft organizational elements (Waterman et al., 1980). The prominence of shared values as the strongest predictor aligns with prior studies (Ravanfar, 2015; Hanafizadeh & Ravasan, 2011), which emphasize organizational culture as the foundation for effective coordination and employee commitment. The significance of management style reinforces leadership theories that link participative leadership to improved organizational outcomes (Yukl, 2013).

Furthermore, the positive effects of skills and systems suggest that investment in employee capability and efficient processes is critical for SMEs operating in skill-intensive industries such as bespoke tailoring. These findings are also consistent with the Resource-Based View, which posits that internal capabilities and human resources are key drivers of effectiveness (Barney, 1991).

Overall, the results demonstrate that achieving organizational effectiveness requires holistic internal alignment. For Africana Bespoke Tailoring Nigeria Limited and similar indigenous SMEs, strengthening strategy execution, leadership practices, employee skills, and shared organizational values will enhance effectiveness and long-term sustainability.

CONCLUSION AND RECOMMENDATIONS

Conclusion

This study examined the effect of McKinsey’s 7S Model—Strategy, Structure, Systems, Style, Staff, Skills, and Shared Values—on organizational effectiveness at Africana Bespoke Tailoring Nigeria Limited, using data obtained from valid respondents within the organization. The findings revealed that the McKinsey 7S elements collectively exert a significant and positive influence on organizational effectiveness, measured in terms of productivity, service quality, employee commitment, and overall operational performance. Specifically, the results indicate that Shared Values and Strategy play a central role in driving effectiveness by aligning employees with organizational goals and ensuring consistency in decision-making. Staff and Skills were also found to be critical, highlighting the importance of having competent employees with the right tailoring, design, and customer service capabilities. Additionally, Systems and Structure were shown to support effectiveness by enhancing workflow coordination, accountability, and service delivery. Leadership Style further contributed by shaping employee motivation, discipline, and workplace culture.

Overall, the study concludes that organizational effectiveness in Africana Bespoke Tailoring Nigeria Limited is not driven by a single factor but by the internal alignment and mutual reinforcement of all seven elements of the McKinsey 7S Model. Organizations in the fashion and bespoke tailoring industry must therefore adopt a holistic management approach that ensures coherence among strategy, people, processes, and values to achieve sustainable effectiveness.

Recommendations

Based on the findings of the study, the following recommendations are proposed:

1. **Strengthen Strategic Alignment**: Management should ensure that the firm’s business strategy—such as brand positioning, customer experience, and market expansion—is clearly communicated and consistently aligned with daily operations. Clear strategic direction will improve focus, competitiveness, and long-term effectiveness.
2. **Enhance Shared Values and Organizational Culture**: Africana Bespoke Tailoring Nigeria Limited should reinforce shared values such as professionalism, creativity, quality craftsmanship, and customer satisfaction. Embedding these values through orientation programs, leadership example, and internal communication will strengthen employee commitment and performance.

3. **Develop Staff Capacity and Skills**: Continuous training should be provided to tailors, designers, and support staff to improve technical skills, innovation, and customer relations. Investing in skills development will enhance productivity, service quality, and organizational effectiveness.
4. **Improve Organizational Systems**: Efficient systems for order processing, quality control, inventory management, and customer feedback should be strengthened or digitized where possible. Well-designed systems reduce errors, delays, and inefficiencies, thereby improving overall performance.
5. **Adopt an Effective Leadership Style**: Management should adopt a participative and supportive leadership style that encourages teamwork, creativity, and open communication. Such a style fosters motivation, accountability, and alignment with organizational goals.
6. **Ensure Structural Clarity and Role Definition**: Clear organizational structure and well-defined roles should be maintained to avoid task duplication and conflict. Proper reporting lines and job descriptions will enhance coordination and accountability within the organization.
7. **Adopt an Integrated 7S Management Approach**: Rather than treating the 7S elements in isolation, management should regularly review how Strategy, Structure, Systems, Style, Staff, Skills, and Shared Values interact. Continuous alignment of these elements will sustain organizational effectiveness in a competitive fashion industry.

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